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LEGISLATIVE HISTORY

Public Law 87-200
H. R. 1022

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INDEX AND SUMMARY OF H. R. 1022

Jan. 3, 1961	Rep. Mathews introduced H. R. 1022 which was referred to the House Agriculture Committee. Print of bill as introduced.
July 25, 1961	House subcommittee voted to report H. R. 1022 to the full committee.
July 31, 1961	House committee voted to report (but did not actually report) H. R. 1022.
Aug. 1, 1961	House committee reported H. R. 1022 with amendments. H. Report No. 826. Print of bill and report.
Aug. 7, 1961	House passed H. R. 1022 as reported.
Aug. 8, 1961	H. R. 1022 was referred to the Senate Agriculture and Forestry Committee. Print of bill as referred.
Aug. 15, 1961	Senate subcommittee gave tentative approval to H. R. 1022.
Aug. 16, 1961	Senate committee voted to report (but did not actually report) H. R. 1022 with amendment.
Aug. 18, 1961	Senate committee reported H. R. 1022 with amendments. S. Report No. 762. Print of bill and report.
Aug. 21, 1961	Senate passed H. R. 1022 as reported.
Aug. 28, 1961	House agreed to Senate amendments to H. R. 1022.
Sept. 6, 1961	Approved: Public Law 87-200.

LEASE AND TRANSFER OF TOBACCO ACREAGE ALLOTMENTS

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HEARINGS

BEFORE THE

SUBCOMMITTEE ON TOBACCO

OF THE

COMMITTEE ON AGRICULTURE
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH CONGRESS

FIRST SESSION

ON

H.R. 1022

JUNE 22 AND JULY 25, 1961

Printed for the use of the Committee on Agriculture

Serial N

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LEASE AND TRANSFER OF TOBACCO ACREAGE ALLOTMENTS

THURSDAY, JUNE 22, 1961

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON TOBACCO,
OF THE COMMITTEE ON AGRICULTURE,
Washington, D.C.

The subcommittee met, pursuant to notice, at 2 p.m., in room 1310, New House Office Building, Hon. Watkins M. Abbitt (chairman of the subcommittee) presiding.

Present: Representatives Abbitt, Cooley, Matthews, Stubblefield, and Short.

Also present: Representatives Watts, Fountain, Henderson, Alexander, Scott, and Lennon.

Christine S. Gallagher, clerk; and John Heimburger, counsel.

Mr. ABBITT. The subcommittee will please come to order.

We have before us H.R. 1022, which will be made a part of the record together with the report from the Department.

(H.R. 1022 and the Department report follow:)

[H.R. 1022, 87th Cong., 1st sess.]

A BILL To amend the Agricultural Adjustment Act of 1938 to provide for lease and transfer of tobacco acreage allotments

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Agricultural Adjustment Act of 1938, as amended, is amended by adding after section 315 the following new section:

"SEC. 316. (a) Notwithstanding any other provision of this Act, the owner and operator of any farm for which a tobacco acreage allotment is established may lease any part of such allotment to any other owner or operator of a farm in the same county for use in such county. Such lease and transfer of allotment shall be recognized and considered valid by the county committee provided the conditions set forth in this section are met.

"(b) Any lease shall be made on such terms and conditions, except as otherwise provided in this section, as the parties thereto agree. No lease shall be entered into for any period in excess of one crop year, but may be renewed from year to year, if the parties so agree.

"(c) The lease and transfer of any allotment shall not be effective until a copy of such lease is filed with and approved by the county committee of the county in which the farms involved are located. If the county committee determines that the farms involved in the lease and transfer are approximately equally productive, the lease and transfer may be approved acre for acre. If the lease and transfer results in acreage allotment for tobacco being placed on a farm which is substantially more productive, such as an irrigated farm as compared with a dry land farm, the county committee shall make a downward adjustment in the amount of acreage allotment transferred so that the production from the transferred acreage will be approximately equal to that which would have been obtained on the farm from which the acreage was leased.

"(d) The lease and transfer of any part of a tobacco acreage allotment determined for a farm shall not affect the allotment for tobacco for the farm from

which such acreage allotment is leased or the farm to which it is transferred, except with respect to the crop year specified in the lease. The amount of acreage allotment which is leased from a farm shall be considered for purposes of determining future allotments to have been devoted to tobacco on such farm: *Provided*, That the acreage so leased and transferred shall not operate to continue the farm's status as an 'old farm'.

"(e) The lease and transfer of allotment acreage under provisions of this section shall not operate to increase the acreage of tobacco on a farm to more than 60 per centum of the cropland on such farm."

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., June 22, 1961.

Hon. HAROLD D. COOLEY,
Chairman, Committee on Agriculture,
House of Representatives.

DEAR CONGRESSMAN COOLEY: This is in reply to your request of March 14, 1961, for a report on H.R. 1022, a bill to amend the Agricultural Adjustment Act of 1938 to provide for lease and transfer of tobacco acreage allotments.

The bill provides that the owner and operator of any farm for which a tobacco acreage allotment is established may lease and transfer, on an annual basis, any part of such allotment to any other owner or operator of a farm in the same county.

This Department would favor the enactment of the bill if it were amended as hereinafter suggested.

The Department favors the transferability of allotments and quotas for tobacco and other commodities under conditions which will protect and enhance the position of family farmers.

Transferability of allotments will reduce the production costs and improve the income of small producers who desire to continue to produce by permitting them to acquire additional allotments without the heavy costs involved in buying additional land. It will make it easier for those who do not wish to continue the production of the affected commodity to transfer their resources into some other enterprise.

The Department believes that the sale of allotments, or their leasing for a period of years, would be preferable to leasing on a year to year basis. The permanent transfer of allotments would make a more substantial contribution toward establishing stable family-sized economic units of production, which will, in turn, result in more efficient production. In addition, the administrative expense and difficulties would be substantially less than handling transfers on an annual basis. The Department, therefore, believes that H.R. 1022 should be amended to permit permanent transfers and leases for a period of years as well as transfers on an annual basis.

Further, the Department would prefer legislation applicable to all marketing quota commodities which would permit such transfers of allotments, subject to appropriate limitations and regulations. There is no reason for discriminating against the producers of any of these commodities in this regard.

Certain safeguards should be established, either in the legislation or by regulations thereunder, applicable to any transfers whether permanent or temporary. These include—

(1) Adjustments of allotments and history acreage when transfers are made to farms which have a substantially higher yield per acre;

(2) Reasonable limits on the size of the resulting allotments on farms to which transfers are made both in terms of number of acres and in relation to the cropland on the farm;

(3) Appropriate adjustments in crediting of allotments and acreage histories for the farms from which and the farms to which transfers are made;

(4) Appropriate restrictions on the establishment of new allotments, and appropriate changes in minimum acreage provisions, for farms from which allotments are transferred;

(5) Administrative provisions to assure that transfers will be made in an orderly manner and adequate records kept; and

(6) Appropriate restrictions upon the geographical limits within which transfers may be made.

This Department will be glad to assist your committee in drafting appropriate amendments to accomplish the changes suggested herein.

The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

ORVILLE L. FREEMAN, *Secretary.*

Mr. ABBITT. Our first witness is Mr. Godfrey from the Department of Agriculture.

We will now hear from you, Mr. Godfrey.

STATEMENT OF HORACE GODFREY, ADMINISTRATOR, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE, U.S. DEPARTMENT OF AGRICULTURE; ACCOMPANIED BY JOE WILLIAMS, DIRECTOR, TOBACCO DIVISION; JOE TODD, DEPUTY DIRECTOR, TOBACCO DIVISION; AND HOWARD ROONEY, OFFICE OF GENERAL COUNSEL, U.S. DEPARTMENT OF AGRICULTURE

Mr. GODFREY. Mr. Chairman and members of the subcommittee, I am Horace D. Godfrey, Administrator, Agricultural Stabilization and Conservation Service, U.S. Department of Agriculture.

On a number of occasions, the Department has, in the past, opposed legislation providing for the lease and transfer of tobacco allotments. As a matter of fact, present legislation authorizes the transfer of tobacco allotments, but this authority has not been used since 1938, except in the event land was retired from agricultural production through acquisition by an agency having the right of eminent domain.

Since this administration came into office, we have been giving this matter very careful consideration. That accounts for our delay in reporting on H.R. 1022.

We have concluded that the tobacco marketing quota program, as well as quota programs on other crops, should be made more flexible. For example, we have, this year, 576,331 tobacco allotments. The total acreage allotted is 1,190,323 acres. Thus, the average tobacco allotment is only 2.07 acres per farm. But that only tells part of the story.

For flue-cured tobacco, which accounts for 60 percent of our acreage, the average allotment is 3.5 acres per farm. Yet, 43 percent of the 203,842 flue-cured allotments are 2 acres or less.

It is readily apparent that many tobacco allotments simply do not constitute economic operating units. A flue-cured tobacco allotment of 1 acre or less—and we have 37,500 of them—does not justify building a curing barn. Even if a barn is built, a half-filled barn does not cure tobacco satisfactorily.

Small allotment problems are by no means limited to tobacco. Forty percent of the upland cotton allotments are less than 5 acres. One-third of the peanut allotments are 5 acres or less.

In order to permit some flexibility and to enable farmers with small allotments to obtain efficient operating units, the Department favors enactment of H.R. 1022 if certain modifications are made. In the first place, we feel that it should apply alike to all commodities for which acreage allotments and marketing quotas are in effect. It is very confusing to farmers to have one set of rules for tobacco, another for cotton, and still a third for peanuts.

In the second place, the Department feels that the sale of allotments, or their leasing for a period of years, would be preferable to leasing on a year-to-year basis. The permanent transfer of allotments would make a more substantial contribution toward establishing stable family-sized economic units of production, which will, in turn, result in more efficient production. This would also enable farmers to do a better job of planning and managing their farming operations.

In addition, the administrative expense and difficulties would be substantially less than handling transfers on an annual basis.

The Department, therefore, believes that H.R. 1022 should be amended to permit permanent transfers and leases for a period of years as well as transfers on an annual basis.

Finally, certain safeguards should be established, either in the legislation or by regulations thereunder, applicable to any transfers whether permanent or temporary.

These include:

1. Adjustments of allotments and history acreage when transfers are made to farms which have a substantially higher yield per acre. H.R. 1022 contains this provision for tobacco, but it needs to be extended to other commodities.

2. Reasonable limits on the size of the resulting allotments on farms to which transfers are made both in terms of the number of acres and in relation to the cropland on the farm. H.R. 1022 contains a cropland limitation for tobacco which would need to be extended to other commodities and consideration needs to be given also to adding an acreage limitation for each commodity.

3. Appropriate adjustments in crediting of allotments and acreage histories for the farms from which and the farms to which transfers are made. This is also covered in the bill for tobacco but should be extended to other commodities.

4. Appropriate restrictions on the establishment of new allotments, and appropriate changes in minimum acreage provisions, for farms from which allotments are transferred.

5. Administrative provisions to assure that transfers will be made in an orderly manner and adequate records kept. Consideration should be given to establishing closing dates to avoid transfers after planting.

6. Appropriate restrictions upon the geographical limits within which transfers may be made for crops other than tobacco which the bill limits to the county.

The Department feels that the transferability of allotments for all commodities will reduce the production costs and improve the incomes of small producers who desire to continue to produce by permitting them to acquire additional allotments without the heavy costs involved in buying additional land. It will make it easier for those who do not wish to continue the production of the affected commodity to transfer their resources into some other enterprise and at the same time would provide some compensation for the release.

This Department will be glad to assist the committee in drafting appropriate amendments to accomplish the changes which we have recommended.

Mr. Abbitt. We will now hear from Mr. Royster. As you know, we are always pleased to have you here before the committee.

STATEMENT OF FRED S. ROYSTER, MANAGING DIRECTOR, BRIGHT BELT WAREHOUSE ASSOCIATION

Mr. ROYSTER. Thank you, Mr. Chairman, and gentlemen of the committee.

I am F. S. Royster, managing director, Bright Belt Warehouse Association.

Mr. Chairman and members of the committee, this proposed bill has been discussed by our board of governors. We are prepared to support the provisions of the Matthews bill. We think that probably there should be an amendment as to the limit of size of acreage that one farmer could lease under the proposal.

Mr. Chairman and members of the committee, as to the Department's recommendations, we are strongly opposed to the sale of allotments and, also, to long-term leases. We think the provisions of the Matthews bill providing for an annual lease is sufficient, that it would not be advisable to go beyond that point.

Mr. COOLEY. I do not think the committee would look with favor upon the sale of allotments, for very obvious reasons.

What would be the objection to permitting the leasing of allotments for 3 to 4 or 5 years?

What I have in mind is this: I was home the other day talking to a friend of mine and he said that if he could lease an acre here and an acre over there and nine-tenths of an acre some place else he could get enough acreage allotment to justify his building a barn and buying needed equipment, but he might not do it otherwise.

These people with the small allotments can not operate as an economic unit. I believe there should be some control as to the amount of acreage a man might acquire by lease or transfer; otherwise everybody would be very unhappy about too large an acreage being leased by one farmer. It looks to me like we could allow the leasing of 3 or 4 or 5 acres so that the farmer could justify building the facilities on his own land necessary to cure and handle the tobacco.

Would you give us your views on that?

Mr. ROYSTER. Well, Mr. Chairman, I would think this: that it would be all right even for a period of 4 or 5 years which would justify the investment in capital improvement in order to handle the allotment.

If, as I understand the intent of Congressman Matthews' bill, it is to make available income to people who have so-called uneconomic allotments which I daresay I have reservation about that, but nevertheless, I do not understand that the intent of Mr. Matthews' bill is to build up into fewer hands the allotments that go into tobacco.

Therefore, I think to extend it beyond 1 year would be going into the direction that I mentioned.

Mr. COOLEY. Let me say that I think your reasoning is fair.

Mr. ABBITT. I would like to ask, is not this a new step, and we should see how we get along year by year for a little while?

Mr. ROYSTER. I would quite agree with that, Mr. Chairman.

Mr. ABBITT. To see how we would get along?

Mr. ROYSTER. I, and the people I represent, have approached this with care and caution. I sat in this same chair about a year ago and opposed this bill.

Mr. ABBITT. And I agreed with you.

Mr. ROYSTER. However, upon further analysis and so forth and so on, we are prepared to go as far as the Matthews bill goes with a limitation, but beyond that we are not prepared to go.

Mr. ABBITT. Thank you so much.

Mr. WATTS. I would like to comment, Mr. Royster, that I pretty much occupy the position that you did last year. I was opposed to the bill. I have modified my thinking on it to a certain degree. I think I can go along with the Matthews bill with possibly two changes.

I certainly would not want to enlarge it over a year in the face of the explanation that you gave because it is not the purpose for that to happen.

Furthermore, I think the closer we keep these bases to the little farm and the closer control we keep of them, the better shape our program will remain in over the years.

I agree with you that there ought to be some limitation as to the number of acres that a man can lease, not necessarily on a percentage basis but on maybe a flat basis.

Have you got a copy of the bill before you?

Mr. ROYSTER. Yes, sir; I do have.

Mr. WATTS. On page 2.

Mr. ROYSTER. Just 1 minute, please. What section?

Mr. WATTS. On page 2 commencing with line 11, I would like to talk about that.

Mr. ROYSTER. What I have got is the amendment. Let me get an actual copy of the bill. All right, sir.

Mr. WATTS (reading):

> If the county committee determines that the farms involved in the lease and transfer are approximately equally productive, the lease and transfer may be approved acre for acre. If the lease and transfer results in acreage allotment for tobacco being placed on a farm which is substantially more productive, such as an irrigated farm as compared with a dryland farm, the county committee shall make a downward adjustment—

It is my contention that would cause a lot of pulling and hauling of the county committee. And my suggested amendment would be this:

> If the county committee determines that the farms involved in the lease and transfer are—

and take out the word "approximately"—

> equally productive, the lease and transfer may be approved acre by acre. If the lease and transfer results in acreage allotment for tobacco being placed on a farm which is—

and leave out the word "substantially"—

> more productive—

and then strike—

> such as an irrigated farm as compared with a dryland farm—

or for any reason.

We have a lot of farms in our part of the country that will produce twice as much tobacco as another farm. It is not a question of irrigation or otherwise. It is a question of fertility and location and things of that nature.

The county committee shall—in other words, what I am trying to say is where they are not equal that the county committee should make the adjustment in all instances, because then you have no argument as between the producer who is getting it and the man who is leasing it trying to persuade the committee they ought to allott him acre per acre.

I discussed it with Mr. Matthews and he had no objection, unless there is some reason or other you can think of that might be an objection to it.

It would not be a substantial amount of work to make that adjustment in each case. It would not be a substantial task.

Mr. Royster. I think the verbiage you suggest would be quite an improvement.

You may recall when I testified as to opposition to the bill a year ago, this is one of the points that I objected to. I think your verbiage would greatly improve the bill.

Mr. Watts. Leaving the word "substantially" in means you leave it open for determination for one thing in one county, and the influence of one party versus the influence of another. If you just state in there that they shall be adjusted, there will not be any overage in production.

Mr. Royster. Well, I think in all probability that the application of the provisions of the bill if enacted, transfers will be certainly in a great majority of cases on an acre-for-acre basis. I think we might as well realize that. I think we might as well accept the fact that it will result in some increased production. However, we are in a somewhat better position in flue-cured and in a substantially better position in burley on supplies than we were a year ago, which is as to the change in our position.

Mr. Watts. If we have this language that I have suggested as a change in the law, then you will not find increased production, because there will be adjustment there for the increase.

Mr. Royster. I think your verbiage, being as specific as it is, would be in the right direction.

Mr. Watts. Thank you.

Mr. Cooley. First, I want to ask about the acre-for-acre basis; what is this about?

Mr. Royster. That is to say where a lease is for an acre, that the lessee would get an acre. Under the provisions of this, the committee could adjust it. If they said that it was more productive, instead of giving him 1 acre, they could give him eight-tenths of an acre.

Mr. Cooley. All right. That is what I thought. If you strike out the words "substantially" and "approximately" you will not find fields that produce equally.

Mr. Watts. Equal production.

Mr. Cooley. Would not "approximately" give them some leeway?

Mr. Watts. Yes, if you leave those two words in you will find a situation where the man goes down into the hill section of my country and leases an acre of tobacco, that normally produces 900 pounds.. He moves it to a farm where they are producing 2,000 pounds per acre.

So I think if we just say take out the words "approximately" and "substantially" and talk about just providing in the bill that the county committee is given the authority and directed to make such adjustments as need to be made in order to see that that takes place.

Mr. COOLEY. That is impossible. Your proposition is impossible unless you have some leeway. If you transfer allotments from my farm to another farm right across the road, the same kind of land, they may produce more on their farm than on my farm.

Mr. WATTS. Let the county committee make the adjustments.

Mr. COOLEY. Let us get Mr. Godfrey's views on this.

Mr. GODFREY. From the administrative standpoint it would be better to strike the words and say from "95 to 105 percent" and define "equally productive." Say, 95 to 105 of the 3-year average yield. Then you would have something to operate on.

Mr. WATTS. Put something like that in. You realize what I am talking about, if you do not tie it down it will go out of bounds.

Mr. COOLEY. Suppose farmer A leases 3 acres and farmer B transfers his own land, and you find initially that you can improve that by the transfer but it turns out he produces 500 pounds an acre more. You can't do anything about that.

Mr. GODFREY. You would not do anything about that because his quota is based on the actual production of the planted acres within the allotment.

Mr. ABBITT. How about the next year?

Mr. GODFREY. Neither the next year because you are transferring on the basis of the yield from which the farm allotment was transferred.

Mr. WATTS. You could say in there, if the production on the land that is transferred exceeds the production of the land that it is going to go by 5 percent or 10 percent or something like that, that the adjustment be made accordingly, so there will be some leeway for a few pounds difference.

I think you can work that out in executive session.

Mr. ABBITT. Thank you very much.

Mr. ROYSTER. Thank you.

Mr. ABBITT. We will next hear from Mr. Frank B. Snodgrass.

STATEMENT OF FRANK B. SNODGRASS, VICE PRESIDENT AND MANAGING DIRECTOR, BURLEY & DARK LEAF TOBACCO EXPORT ASSOCIATION

Mr. SNODGRASS. Thank you, Mr. Chairman.

My name is Frank B. Snodgrass. I am vice president and managing director of the Burley & Dark Leaf Tobacco Export Association.

My association is a federated trade association, made up of member grower associations, warehouse associations, and dealer and exporter groups.

Last year I also appeared before you in opposition to Congressman Matthews' bill, H.R. 8819, but since last year we have reconsidered our position, and as an organization, the Burley & Dark Leaf Tobacco Export Association does not oppose H.R. 1022.

The board of directors have authorized me to inform the committee of their stand.

The Burley Tobacco Growers Cooperative Association of Lexington, which has member associations in Ohio, Kentucky, Missouri, Indiana, and West Virginia, they, too, have reversed their position from a year ago, and now favor the lease and transfer of acreage as contained in H.R. 1022.

We do, however, have two reservations that I would like to call to your attention.

In section 316(d), which is not fully understood by our group, if it means that the old farm's right of participation in future national marketing quotas will be lessened, then we request that this section be revised in order that the original farm not be deprived of its history of acreage allotments by reason of such allotments having been leased or transferred to another farm.

Mr. ABBITT. Some did not quite understand that.

Mr. SNODGRASS. Since writing my remarks I have talked to some of the officials within the Department, and I hope this is correct: A man that leases his allotment from this farm will not lose the history on the farm.

Mr. MATTHEWS. That is my understanding of it, as the author of the bill.

Mr. SNODGRASS. Thank you. However, after a 4-year period he could conceivably under this regulation of not producing at least 75 percent of his cropland in any one of these 3 years lose that allotment.

Is that your understanding also?

Mr. ABBITT. I think that is taken care of on page 3.

Mr. MATTHEWS. I might say it was my understanding that since the acreage was being planted on the farm to which you transferred, it would take care of that. It would be planted acreage. Maybe I did not understand correctly.

Mr. COOLEY. I do not think he understands what you are saying.

Mr. SNODGRASS. I have been informed some of the gentlemen in the Department feel that the acreage would be retained on the old farm even though it were leased for a period of 5 consecutive years.

Mr. WATTS. Would be considered as planted?

Mr. SNODGRASS. Yes. Considered as planted.

Mr. ABBITT. That is important. I want to be sure if a man leases it for 5 years, as I understand it from what you are saying, it would be the same as if he had it on his farm.

Mr. SNODGRASS. I understand there is someone from the Department that could define that.

Mr. ABBITT. I think we ought to get that.

Mr. ROONEY. The acreage that is planted on the farm to which the allotment is transferred under the lease is counted on the old farm for the purposes of the history. But the proviso on page 3 says that you do not count that in determining whether the original farm retains its status over an "old farm," so that if you lease it for 5 years, it will become a new farm—it would lose the allotment.

Mr. COOLEY. What did you say?

Mr. ROONEY. The language on page 3 takes care of the history on the old farm, but it does provide that the transfer will not preserve the first farm's status as an "old farm."

Mr. COOLEY. That is wrong. If the man plants on the farm and it is transferred for a year at a time, it will be considered as having been planted on the "old farm."

Mr. MATTHEWS. That is right.

Mr. ROONEY. The 5 years would determine that.

Mr. MATTHEWS. I would like to ask Mr. Heimburger, who knows about this, to state his views on this.

Mr. HEIMBURGER. One of the points in opposition which has always been made to this leasing idea was that if the farm from which the acreage is transferred receives credit for history purposes for the acreage having been planted, then theoretically, at least, you would have people after a period of years, if this goes on, operating taxicabs in Washington and shoeshine shops in New York and working all over the United States carrying tobacco allotments around in their pockets. As long as they lease it year after year, they never lose the allotment.

And it was this feature of the bill which was objected to very strongly by some people. And that was the reason, Mr. Matthews, why this proviso was devised and put in here, which says that the farm will receive credit for history purposes for any allotment that is leased, but after 4 years that farmer will have to go back and plant a crop of tobacco on his farm in order to retain the status as an "old farm." He cannot go away for 25 or 30 years and continue to carry his allotment around in his pocket.

Mr. COOLEY. May I interrupt right there? All this does is say that it is up to the local committee.

Mr. ROONEY. No, sir.

Mr. GODFREY. No, sir.

Mr. COOLEY. Do you not have to fix the rules and regulations?

Mr. GODFREY. Nothing in the bill gives the Secretary the authority to fix the rules and regulations.

Mr. COOLEY. I may be in error, but I thought we had provided that it was to be done under the supervision of the committee.

Mr. GODFREY. That is one thing about the bill, it points out upon agreement between the parties involved. The bill even permits a producer with a 3-acre allotment to transfer one-hundredth of an acre to 300 other producers that might be overplanted.

Mr. COOLEY. Will you say that again.

Mr. GODFREY. A hundredth of an acre to each of 300 other producers.

Mr. COOLEY. In other words, you could put a provision in here under the supervision of the local committee, so as to permit it, if that happens, to prevent what Mr. Heimburger says might happen?

Mr. GODFREY. One other reason we might insert for this proviso being in, I think that was to make it uniform with other commodities that have release and reapportionment provisions. In the case of cotton and peanuts, that have a release and reapportionment provision. If it is leased for 3 years in a row, he does not retain his status as an "old farm."

Mr. WATTS. That takes care of the situation about leasing about one-hundredth of an acre. It takes care of somebody who has overplanted. That would be taken care of by providing in this bill that the lease should be consummated 30 days before a certain time. In that way I think it would be very unfair to let some fellow come in after you planted the crop, to shop around all over the country to try to dig up enough acreage to take care of it. If he wants to lease it he should lease it before the planting season. And if he has not leased by a certain date each year he does not get a chance to do so.

After the Government has cut him down for overproduction he should not have that privilege.

Mr. ABBITT. I am sorry, under the rules of the House we will have to adjourn. The House is in session taking up a bill for an amendment. We will be glad to come back here at 3:30 for a conference.

(Thereupon the subcommittee recessed.)

(The conference convened with Mr. Watkins M. Abbitt presiding.)

Mr. ABBITT. We will come to order.

As I understand what we were discussing awhile ago, it was on line 6 of page 3.

I think we will have to look into that very carefully. I get exactly what you are talking about and I am in entire accord with it and I think we can get the counsel of the Department to look at it and report.

Will you continue?

STATEMENT OF FRANK B. SNODGRASS—Resumed

Mr. SNODGRASS. I thank you, Mr. Chairman.

In the particular areas that I represent, the acreage allotment has a great influence on the price of our real estate and property.

Mr. ABBITT. I think members of the committee are in accord with what you pointed out.

Mr. SNODGRASS. And we would like to see allotments remain with the original grower.

And my group has authorized me to say that we are opposed to any sale.

Mr. ABBITT. I am in entire accord with what you say. I am glad to hear you say that. I am in entire accord with that.

Mr. SNODGRASS. And we think that a provision for a 1-year lease with the proper amendments to the bill that have been suggested possibly would be workable. I have reported on the thinking of the burley groups.

I would like to make a statement on behalf of the dark fired groups.

The Western Dark Fired Tobacco Growers Association of Kentucky, who administer the dark fired and dark air-cured types, they do support the principles of lease and transfer of tobacco as acreage allotments.

The Eastern Dark Fired Tobacco Growers Association of Springfield, Tenn., who administer a like program for dark types in that section of Kentucky and Tennessee, support the legislation in principle. However, they are fearful that increased production as the result of lease and transfer might necessitate some reduction in acreage allotments.

The Maryland Tobacco Cooperative of Upper Marlboro favors this legislation. However, since they are underproducing their allotted acreage, they request that the bill contain provisions which will eventually allow the present allocation of acreages to move into the hands of those who are now producing tobacco and have the labor and machinery to continue production.

Since much of the land in Maryland adjoins the District of Columbia, they feel that the provisions of the regulation which states that if you are going to produce about 75 percent of it produced in any one of three years that will revert, the reallocation would be very helpful to them in that instance.

The other member groups of the Burley & Dark Leaf Tobacco Export Association, while they do not oppose the legislation, have not expressed any desire to be recorded in favor.

I will talk briefly for the National Cigar Leaf Tobacco Association. They have one member grower association, the Conn-Mass Tobacco Cooperative, Holyoke, Mass., in favor of the enactment of this legislation.

The two Wisconsin cigar growers' associations wish to be recorded in opposition to the enactment of H.R. 1022 for the reasons that they feel there is now ample supply of their types of tobacco and the lease and transfer would, probably, increase the production, thereby adding to the burdensome surplus. They fear the danger of concentrating the production in the hands of a few may lead to future decreases in acreage allotments and the destruction of our tobacco program.

That concludes my statement, Mr. Chairman.

Mr. ABBITT. Thank you. We certainly appreciate your coming here. The committee is always happy to have you here.

Mr. SNODGRASS. Yes.

(The prepared statement of Mr. Snodgrass follows:)

STATEMENT BY FRANK B. SNODGRASS, VICE PRESIDENT AND MANAGING DIRECTOR, BURLEY & DARK LEAF TOBACCO EXPORT ASSOCIATION

Mr. Chairman and members of the Committee on Agriculture, for the record, my name is Frank B. Snodgrass. I am the vice president and managing director of the Burley & Dark Leaf Tobacco Export Association. This is a federated trade association, composed of 10 member associations, most of which are tobacco grower associations, although it includes one association of burley auction warehousemen and two associations composed entirely of leaf tobacco dealers and exporters. I am also the executive director of the National Cigar League Tobacco Association, which is composed of seven additional member associations of cigar tobacco growers and exporters. I have informed the leadership of each of these associations of this hearing and the nature of the poposals under consideration.

Last year we appear before this committee at a hearing on H.R. 8819, an identical bill to H.R. 1022, introduced by Congressman Matthews of Florida, to amend the Agricultural Adjustment Act of 1938 to provide for lease and transfer of tobacco acreage allotments. Last year the industry representatives spoke with many voices. We were not in accord since we feared that our tobacco program was endangered and that the legislation was premature. The groups whom I represent were divided, with the majority in opposition to this legislation. Today the situation is some different, while not all groups are in favor of this legislation, fewer groups are opposing it.

The board of directors of the Burley & Dark Leaf Tobacco Export Association do not oppose the lease and transfer of tobacco acreages; however, we would like some clarification on section 316(d), which is not fully understood, but if it means that the old farm's right of participation in future national marketing quotas will be lessened, then we request that this section be revised in order that the original farm not be deprived of its history of acreage allotments by reason of such allotments having been leased or transferred to another farm. The acreage allotment for tobacco has a great influence upon the property value of the farm and should remain with the original owner. We wish to further state that while we do not oppose the lease and transfer of tobacco acreages on a yearly contract basis, we do oppose the permanent sale of such allotments.

The Burley Tobacco Growers Cooperative Association, the largest of all our member groups and whose membership consists of the burley growers in Kentucky, Ohio, Indiana, West Virginia, and Missouri, have reversed their position of the last year and now favor the lease and transfer provisions of H.R. 1022 with the same reservations mentioned above.

The Western Dark Fired Tobacco Growers Association, Murray, Ky., who administer the price support program for dark fired and dark air-cured types in Kentucky and Tennessee, have long supported—and do today—the principles of lease and transfer of tobacco acreage allotments.

The Eastern Dark Fired Tobacco Growers Association, Springfield, Tenn., who also administer the price support program for dark types in Kentucky and Tennessee, support the legislation in principle; however, they are fearful that increased production as a result of lease and transfer might necessitate the reduction of acreage allotments.

The Maryland Tobacco Cooperative, Upper Marlboro, Md., favors this legislation; however, since they are underproducing their allotted acreage they request that the bill contain provisions which will eventually allow the present allocation of acreages to move into the hands of those who are now producing tobacco and have the labor to continue production. Since much of the land in Maryland adjoins the District of Columbia and is now being industrialized, their allotted acreage is being underproduced.

The other member groups of the Burley & Dark Leaf Tobacco Export Association, while they do not oppose this legislation, have expressed no desire to be recorded in favor.

The National Cigar Leaf Tobacco Association has one member grower association, the Connecticut-Massachusetts Tobacco Cooperative, Holyoke, Mass., who favors the enactment of this legislation. The Wisconsin cigar grower associations wish to be recorded in opposition to the enactment of H.R. 1022 for the reason that they feel there is now an ample supply of their types of tobacco and the lease and transfer would probably increase the production, thereby adding to the burdensome surplus. They fear the danger of concentrating the production in the hands of a few may lead to future decreases in acreage allotments and the destruction of the tobacco program.

On behalf of the associations which I have the honor to represent, I would like to express our appreciation to the chairman and the members of the committee on Agriculture for the opportunity of appearing before you and expressing the viewpoint of these associations.

Mr. ABBITT. We will now hear Mr. W. D. Walker of Virginia. He is one of our tobacco producers.

STATEMENT OF W. D. WALKER, A TOBACCO GROWER FROM THE STATE OF VIRGINIA

Mr. WALKER. I am here to represent over 12,000 farm families located in over one-fourth of the counties of Virginia who grow types 21 and 37 tobacco.

We have an allotted acreage of over 13,000 acres. Last year over 4,000 of these acres were not grown. This is largely because of repeated reductions in allotments to the point where individual farmers could not adjust their operation to the reduction and had to seek other employment.

Regulations prohibiting the transfer of tobacco allotments from one farm to another, except by purchase of the entire farm, has worked to the farmers' detriment. In many instances, if a farmer could have rented additional allotment, he would not have to abandon his farming operation and seek employment in an already saturated unskilled employment market. In other instances, the income of retired farmers could be supplemented by rental of his idle allotments.

Gentlemen, if the provision of the Matthews bill were in effect from the beginning, there would be far fewer abandoned farms dotting the countryside of central Virginia.

Growing tobacco requires large expenditures of manpower and currently does not lend itself to any advanced degree of mechanization. To grow 1 acre of tobacco requires in excess of 400 man-hours. To grow our 4,000 idle acres of tobacco would provide over 1.5 million man-hours of employment in producing the crop alone.

It is not a seasonal crop, but often requires 13 months to grow and sell a single crop. It also lends itself to production by a family, enabling it to work together as a unit thus enhancing the opportunities for industrious and wholesome development. The Matthews bill will assist the farmer in adjusting his farming to the family rather than his family to the farm.

Last year the group which I represent sold over $3.5 million worth of tobacco. This is an important source of income in the economy of our area. We would like to increase it.

You may ask if we are in favor of allotments at all. I need only to direct your attention to the voting record of the farmers. Over 95 percent of the votes cast have repeatedly been in favor of allotments. We know that supply must be brought into balance with demand, not only in tobacco but in other farm commodities.

For the past 3 years the purchasers of our tobacco have not had enough to fill their orders. If these orders are not filled, the majority of which are in the foreign market, they are filled from other sources, usually from a foreign country. Once a foreign customer is lost, the chances of regaining him at a later time would be nil.

Fixed overhead on tobacco farms, in warehouses, and by the buyers and processors demand that we supply all the tobacco the market profitably demands in order to minimize these overhead costs.

You may ask if there is a shortage, then why is it that some tobacco purchased by the Government is still in storage. Gentlemen, today there is leess than one-half of a crop of type 21 and 37 tobacco in storage. And mind you, this has been accumulated over the past 7 years.

Any crop of tobacco will have a certain quantity which is undesirable and not as marketable as other grades. A large portion of this pooled tobacco is in this category. Some of this tobacco naturally comes from error in judgment on the part of the Government graders. No matter how hard they try, they will overgrade some while they undergrade other. They have a difficult task, which has generally been discharged in a conscientious and effective manner.

For the past several years this Government stored tobacco has been steadily diminishing. It has been used to partially fill unfilled orders. Because it is not generally of the grade in demand, it cannot begin to satisfy these orders.

At this time, when we farmers are facing one of our most difficult economic crises ever to face us, it is highly important that we receive legislative assistance.

Certainly the Matthews bill is one which will enable us to help ourselves. We support it 100 percent and do hope it will be favorably reported on by this committee and expeditiously passed by Congress.

I thank you.

Mr. ABBITT. Thank you. I see you have two associates with you. I will appreciate your giving their names and the groups they represent.

Mr. ROBERTSON. My name is J. Mott Robertson, Post Office Box 583, of Lynchburg, Va.; and I represent the Virginia Dark Tobacco Warehousemen's Corp.

Mr. HALL. My name is Thomas B. Hall, Jr., of Farmville, Va.; and I represent the Virginia Dark Fired Tobacco Growers Marketing Association.

Mr. ABBITT. Thank you. We certainly thank you, Mr. Walker. The next witness I have is Mr. B. C. Mangum of the North Carolina Farm Bureau.

STATEMENT OF B. C. MANGUM, ON BEHALF OF THE NORTH CAROLINA FARM BUREAU

Mr. MANGUM. Mr. Chairman, I doubt if I will take the time to testify because I have presented the statement. You have it for the record.

Mr. ABBITT. When we come into session, I will ask unanimous consent that it be printed the same as if you made the statement.

Mr. LENNON. May I ask the gentleman a question?

Mr. ABBITT. We are glad to have you with us.

Mr. LENNON. Mr. Mangum, the statement that you have filed, and the recommendations made by the North Carolina Farm Bureau as to the conditions that should be met by the parties, incorporates almost verbatim the language of the Matthews bill, does it not?

Mr. MANGUM. There is not much difference. There are some changes—minor, however.

Mr. LENNON. Would you give us briefly the changes that the North Carolina Farm Bureau suggests from what is now in the language of the Matthews bill?

Mr. ABBITT. Do you have a copy of this?

Mr. MANGUM. One major change was the one where we added a proviso that an allotment that was leased from a farm, where the farm then was retired from agricultural production.

Mr. LENNON. That was the point discussed here prior to the recess.

Mr. MANGUM. No, that point has not been discussed. You see, the way the bill was, there was no provision whereby there would be any disposition made of an allotment that was leased to another farmer, if the farm allotment was retired from agricultural production. And we did not think that allotment ought to continue to be in existence with the original farm being retired from agricultural production.

STATEMENT OF B. C. MANGUM, PRESIDENT, NORTH CAROLINA FARM BUREAU—PROPOSAL FOR LEASE OR TRANSFER OF TOBACCO ALLOTMENTS

That provisions be provided that would permit the owner and operator of any farm for which a tobacco acreage allotment is established to lease any part of such allotment to any other owner or operator of a farm in the same county for use in such county provided that the tobacco acreage transferred shall continue to be available to the farm from which it is transferred and land suitable for tobacco production must be maintained on the lessee's farm.

(1) The lease agreement is made in writing and on such terms and conditions as the parties thereto agree and the following conditions are met:

(*a*) That the lease and transfer of any allotment shall not be effective until a copy of such lease is filed with and approved by the county committee of the same county in which the farms involved are located. If the county committee determines that the farms involved in the lease and transfer are approximately equally productive, the lease and transfer may be approved acre for acre. If the lease and transfer results in acreage allotment for tobacco being placed on a farm which is substantially more productive, such as an irrigated farm as compared with a dryland farm, the county committee shall make a downward ad-

justment in the amount of acreage allotment transferred so that the production from the transferred acreage will be approximately equal to that which would have been obtained on the farm from which the acreage was leased.

(*b*) That the lease and transfer of any part of a tobacco acreage allotment determined for a farm shall not affect the allotment for tobacco for the farm from which such acreage allotment is leased or the farm to which it is transferred, except with respect to the crop years specified in the lease. The amount of acreage allotment which is leased from a farm shall be considered for purposes of determining future allotments to have been devoted to tobacco on such farm and that the acreage so leased and transferred shall not operate to continue the farm's status as an "old farm."

(*c*) That the lease and transfer of allotment acreage shall not operate to increase the acreage of tobacco on a farm to more than 60 percent of the cropland on such farm.

Mr. LENNON. I thank you.

Mr. ABBITT. Thank you very much.

Mr. W. N. Terry, Jr., of Danville, Va.

STATEMENT OF W. N. TERRY, JR., VICE PRESIDENT, BRIGHT BELT WAREHOUSE ASSOCIATION

Mr. TERRY. Mr. Chairman and members, I am a tobacco grower in Pennsylvania County, the county adjoining the city of Danville. And I am vice president of the Danville Tobacco Association.

We favor the Matthews bill, mainly because we think that economically it is good for our community and it is good for the small tobacco grower.

We have quite a few small acre growers that probably have 3 acres of tobacco and do not produce enough to support their families, so they go out and get jobs. The acreage they have is not quite enough for that, I mean. And then after they get the kids through school, they would like to go back growing the 3 acres of tobacco. I think this bill will help that situation and help them maintain the investment that they have in their farm, in the acres.

When they go to the bank to borrow money, the bank does not ask how many acres of land they have, they ask what their tobacco allotment is. I think that would help stabilize, this bill would, that condition.

Mr. ABBITT. Thank you very much, Mr. Terry.

Representative Tuck asked me to explain to you gentlemen that he was quite interested in this matter but was unavoidably detained over on the floor of the House. Otherwise he would be here.

I would like for the record to show when we go into session that Mr. J. T. Moore of the Virginia Farm Bureau was here. He will not make a statement at this time.

I have next Mr. J. B. Harper, Mr. W. E. Matthews, and Mr. Harvey Dinkins, representing the Old Belt Committee of North Carolina and Virginia.

STATEMENT OF J. B. HARPER, REPRESENTING THE OLD BELT COMMITTEE OF NORTH CAROLINA AND VIRGINIA; ACCOMPANIED BY W. E. MATTHEWS AND HARVEY DINKINS

Mr. HARPER. Mr. Chairman, we are representing approximately 75,000 tobacco growers that have signed our petition.

Mr. ABBITT. We appreciate very much your coming up and are glad to hear from you.

Mr. HARPER. These petitions were to retain the allotments within the county, and utilize the unplanted ones.

The Old Belt of North Carolina and several adjoining counties of Virginia, have 3,140 farms that have less than half an acre of tobacco allotted to them. They have 3,758 farms that have less than an acre of tobacco allotted to them. And they have 4,375 farms with less than an acre and a half of tobacco allotment.

These farms are not so-called big farms. The farms are being rented in most instances by men and their families and in a number of cases, thousands of them, that is their sole income.

The average tobacco grower in the Old Belt of North Carolina is from 55 to 60 years old. Approximately in another 10 years those men will have passed on. And there is no encouragement whatever for the young people to stay on the farm, and the big majority have left the farm, have gone out and sought any kind of work they can get.

And we find that an average laborer at a dollar an hour can earn better than $2,000 by working 52 weeks, 40 hours a week. And the tobacco grower with an allotment of 1 acre, the most that he can expect from that acre of tobacco is a thousand dollars, possibly $1,200 if he is lucky. And of that amount he can only expect to keep approximately half.

We have in our area people that have as many as five and six children that have no other income except from their small tobacco allotment.

We are definitely in favor of Mr. Matthews' bill, H.R. 1022. We are definitely opposed to selling allotments, and we would like for some way to be worked out whereby a farmer that is no longer interested in growing tobacco, that that acreage be put in a pool and used in hardship cases, because there are some farmers that are not able to buy even half an acre, if they could buy it reasonably.

We believe that it will help our section more than any other one thing. And due to the fact that these small allotments and unplanted acreage exist, our acreage in these Old Belt counties of Virginia and North Carolina is approximately half now of what it was in 1947.

At the same time that we have 11,273 farms with less than an acre and a half allotment, we have 12,000 of tobacco that was not planted last year.

All we are asking for is to keep that 12,000 acres of tobacco and get it out to these people that need them.

I will submit my statement and some data.

Mr. ABBITT. Thank you very much for your statement. They will be made a part of the record at our session.

(The paper and data follows:)

THE PLIGHT OF THE NORTH CAROLINA OLD BELT TOBACCO GROWER

According to the annual report of the North Carolina State ASC office for flue-cured tobacco allotted in the Old Belt counties of North Carolina, the average allotment is as follows:

	Acres per farm		*Acres per farm*
Alamance County	3.3	Moore County	2.9
Alexander County	1.4	Orange County	3.5
Caldwell County	1.8	Person County	5.3
Caswell County	4.7	Randolph County	2.0
Chatham County	2.6	Richmond County	2.0
Davidson County	1.8	Rockingham County	4.2
Davie County	1.4	Rowan County	1.3
Forsyth County	2.2	Stokes County	4.1
Guilford County	2.8	Surry County	3.4
Iredell County	1.5	Wilkes County	1.6
Montgomery County	2.2	Yadkin County	3.0

The average for the State of North Carolina was approximately 4 acres per farm.

A survey made by North Carolina State College, Department of Agricultural Economics, for Forsyth County and the northern Piedmont (Old Belt) shows that farms not planting allotments as related to size of allotment is as follows:

	Percent not planted
Over 5-acre allotment	3
4- to 5-acre allotment	5
3- to 4-acre allotment	10
2- to 3-acre allotment	20
1- to 2-acre allotment	25–30
1-acre-and-less allotment	[1] 40

[1] And up.

In 1960, the Old Belt of North Carolina counties with small allotments consistently had more unplanted tobacco acreage than those with somewhere near the State average. For example, Alexander County with average allotment of 1.4 acres had 856.34 acres not planted out of an allotment of 1,389.74 acres for 968 farms. Davie County had an average allotment of 1.4 acres and in 1960, 558.72 acres were not planted out of a total county allotment of 1,171.67 acres on 814 farms. On the other hand, Person County, with an average allotment of 5.3 acres in 1960, only had 90.13 acres that were not planted and Caswell County, with an average allotment of 4.7 acres in 1960, had 214.37 acres that was not planted. Both Caswell and Person Counties have or are near large manufacturing plants which certainly goes to prove that unplanted allotments are due to insufficient acreage to support a family and be profitable. We have here in the Old Belt of North Carolina an entirely different situation from most of the other tobacco-growing areas. Our tobacco growers are men and women and children that are living and working on farms that have been in their families for many generations. The knowledge of growing tobacco has been handed down from father to son for as many as five generations. They have been reared to grow the very finest tobacco in all the world. There is no other place under the sun that tobacco of like quality, flavor and aroma can be grown. The type of soil and climate are largely due credit plus the inherited know-how. Our tobacco growers have great pride in producing the quality of tobacco that buyers come from the four corners of the earth to buy. There is no other place to get it. A large number of the finest export grades are produced in this section only and the beginning of our fine domestic brands began here in this area and are still here. Our growers have never tried to see how much tobacco they could grow. They have always been most satisfied to do a good job. That is one reason for our small allotments in this area. In spite of the fact that our tobacco has always been salable, we have had to take the same cuts in acreage under the program and this has brought us to the place where thousands of our finest tobacco growers do not have sufficient allotments to support their families.

This same survey also states "that growers with small allotments find it's not profitable to plant if they can secure other employment." They further state that growers with small allotments wishing to retain their tobacco allotments could do so if they were permitted to release their allotments for use by other growers for specific periods of time.

The Old Belt area of North Carolina in 1960 had 3,140 farms with tobacco allotments of less than one-half acre. There was 3,758 farms with allotments of one-half to 1 acre and 4,375 farms with allotments from 1 to 1½ acres; in all, 11,273 farms with less than 1½-acre allotment for tobacco. Common labor at $1 per hour working 40 hours per week for 52 weeks earn $2,080 per year. A tobacco grower with 1½ acres allotment at most could expect a return of $1,500 of this amount. After paying for seed, gassing, fertilizer, insecticides, oil, etc., would do well to net $750 for his year's work (his only cash income). It costs just as much to cure a half barn of tobacco as a full one. In most cases, present-day growers have to hire extra help when harvesting. Many pay as much as $50 for labor in harvesting a single barn of tobacco.

You can see that a tobacco grower would have to have from 2½ to 3 acres of tobacco allotment to equal the income of the common laborer in 1 year. There are thousands of growers who have to depend on tobacco and have no outside employment or hopes of ever having any. The big majority of our present tobacco growers are past 50 years of age. The original small allotments in the North Carolina Old Belt and the cuts we have had to take according to the program has already forced better than 85 percent of our boys and girls to leave the farm for any employment they can find anywhere. The majority of these boys and girls did not want to leave the farm. They had no choice and this movement of our young people has brought tears to many old and young. Had these unplanted acres been available thousands of young people would be today the tobacco growers for the future. The only way we can save this 350-year-old industry is to use within each county the unplanted tobacco allotments to put the little man on his feet and give him and his family a decent living.

In 1960, the Old Belt of North Carolina and two or three border counties had 11,680.60 unplanted tobacco acres. At the average yield per acre for 1960, had these acres been planted, it would have produced 20 million pounds of tobacco and, at the average price, sold for $12 million. At the same time 11,273 farms in this same area did not have enough tobacco allotment to make a living better than the 1930–31 standard. Had the 11,680.60 acres been available to these small tobacco growers in 1960, it would have been possible for each of the 11,273 farms to have had better than 1 acre added to their small allotment.

The latest stock report of the holdings of the Flue-Cured Tobacco Cooperative Stabilization Corp., dated March 9, 1961, shows of the two crops that they have had great difficulty in selling 1955 and 1956, total holdings as follows:

	Holdings
1955 crop on land	120,388
1956 crop on land	118,246
Total	238,634

Of the above total only 11,221 holdings, including Virginia, or less than 5 percent are Old Belt tobacco. This goes to show that our Old Belt tobacco is in strong demand, that the tobacco manufacturers throughout the world are buying our Old Belt tobacco for its fine quality, favor, and aroma. There is no substitute. Our domestic manufacturers need it and our exports will suffer unless we continue to grow it. We know of no more equitable way than to release the present allotments in each county for use within that county, thereby giving a decent living to thousands of farm families in the North Carolina Old Belt and at the same time providing tobacco that all the world wants and will buy.

County	1960 total acres tobacco allotment	Total number of farms	(Inclusive)		Number of farms
			From—	To—	
Alexander	1,388.28	970	0.01	0.50	154
			.51	1.00	199
			1.01	1.50	219
Total					572
Caldwell	475.70	274	.01	.50	16
			.51	1.00	35
			1.01	1.50	71
Total					122
Caswell	9,122.09	1,953	.01	.50	71
			.51	1.00	98
			1.01	1.50	109
Total					278
Davidson	3,260.10	1,821	.01	.50	362
			.51	1.00	259
			1.01	1.50	272
Total					893
Davie	1,170.55	810	.01	.50	162
			.51	1.00	145
			1.01	1.50	189
Total					496
Forsyth	4,918.64	2,236	.01	.50	314
			.51	1.00	305
			1.01	1.50	285
Total					904
Guilford	9,132.89	3,223	.01	.50	253
			.51	1.00	297
			1.01	1.50	416
Total					966
Iredell	1,218.97	813	.01	.50	119
			.51	1.00	123
			1.01	1.50	244
Total					486
Lee	4,092.15	1,324	.01	.50	137
			.51	1.00	108
			1.01	1.50	154
Total					399
Montgomery	962.22	429	.01	.50	43
			.51	1.00	42
			1.01	1.50	95
Total					180
Moore	4,867.05	1,666	.01	.50	151
			.51	1.00	155
			1.01	1.50	218
Total					524
Orange	3,298.20	941	.01	.50	71
			.51	1.00	78
			1.01	1.50	130
Total					279
Person	9,515.37	1,771	.01	.50	340
			.51	1.00	698
			1.01	1.50	189
Total					1,227
Randolph	3,281.26	1,626	.01	.50	147
			.51	1.00	196
			1.01	1.50	276
Total					619

County	1960 total acres tobacco allotment	Total number of farms	(Inclusive)		Number of farms
			From—	To—	
Richmond	2,080.13	1,042	.01	.50	247
			.51	1.00	134
			1.01	1.50	230
Total					611
Rockingham	12,971.44	3,075	.01	.50	119
			.50	1.00	184
			1.01	1.50	239
Total					542
Rowan	46.79	37	.01	.50	8
			.51	1.00	6
			1.01	1.50	12
Total					26
Stokes	11,400.44	2,779	.01	.50	36
			.51	1.00	89
			1.01	1.50	120
Total					245
Surry	10,871.00	3,199	.01	.50	127
			.51	1.00	205
			1.01	1.50	333
Total					665
Wilkes	1,539.79	986	.01	.50	111
			.51	1.00	183
			1.01	1.50	302
Total					596
Yadkin	8,009.64	2,762	.01	.50	152
			.51	1.00	219
			1.01	1.50	272
Total					643
21 counties	103,622.70	33,727	.01	.50	3,140
			.51	1.00	3,758
			1.01	1.50	4,375
Total					11,273

Mr. MATTHEWS. May I make this observation? Mr. Harper has been very helpful to me and I want to thank him and his colleagues from North Carolina especially today. He has corresponded with me considerably. I know he has given this matter a great deal of thought.

As I understand, you want somehow or another, if you can, to work out some provision whereby the unused allotments eventually will be turned over to hardship cases?

Mr. HARPER. That is right. We have so many people that are really suffering. In fact, in my letters to a number of people, I asked them if they would send a delegation to see these people. I know one man who saved what money he could while he was over at another town and he came back and bought a small farm. He has a wife and five children now, and he does not have a change of clothing. He is trying to make a living with an acre and a quarter of tobacco allotment.

Those are the kinds of people we are interested in. We are not interested in the man that has 25 or 50 acres of tobacco allotment. And there are few of them. That is, in our section.

We are interested in these people that are struggling. And there are thousands of them.

I believe that is all I have to say.

Mr. Abbitt. Thank you very much.

We will next hear from Mr. Kesler of the Kentucky Farm Bureau Federation.

STATEMENT OF E. W. KESLER, LEGISLATIVE DIRECTOR, KENTUCKY FARM BUREAU FEDERATION

Mr. Kesler. We appreciate the opportunity to present the views of the Kentucky Farm Bureau Federation with respect to H.R. 1022, the legislative proposal to permit the leasing and transfer of tobacco allotments.

The Kentucky Farm Bureau Federation is a general farm organization with 77,731 members, and of these the vast majority are producers of tobacco.

At our last annual meeting on November 14, 15, 16, 1960, in Lexington, Ky., the voting delegates, representing 115 county farm bureaus, adopted the following recommendation: "We are opposed to the selling or leasing of tobacco allotments."

The delegates from Kentucky to the American Farm Bureau Federation convention in December 1960, along with the delegates from 48 other State farm bureaus, were successful in getting the national delegate body to adopt this position.

Kentucky produces 66 percent of all burley tobacco produced in the United States, as well as a large percentage of the dark varieties. We are convinced that a vast majority of the tobacco producers in Kentucky are opposed to the transfer of allotments from one farm to another under any lease, rental, or sale basis. This is true of the producers of all types produced in Kentucky, and especially of the farmers who produce burley tobacco on the 145,905 farms with allotments.

We believe this proposal could easily be the opening wedge to eventual destruction of the tobacco program. We understand that the present proposal provides that the leased acreage remain a permanent part of the allotment on the original farm; however, we sincerely believe that if this is enacted into law, it will not be long before this committee will be requested to report legislation to permit these leased allotments to become a permanent part of the allotments on the farms growing the tobacco under the lease arrangement. If this should become a reality, more tobacco would be produced on fewer farms, with permanent economic loss to future generations on many farms in Kentucky.

The leasing of tobacco allotments would increase total production.

First, a large percentage of the allotments not presently being produced, except in keeping with the provision of law requiring production of 75 percent of the allotment—1 year in 3—would find its way back into production.

Second, even though the language contained in H.R. 1022 appears to provide assurance that increased production through higher yields per acre will not result from the transfer of allotments, in practice increased yields will result from these transfers.

Irrigation is not yet a major factor in the production of tobacco in Kentucky. We seriously doubt that county committees will adjust downward the amount of acreage transferred through a lease arrangement, for the burden of pressure to transfer on an acre-for-acre basis will make it next to impossible for the county committees to carry out the intent of this portion of the bill.

There are many factors that determine yield per acre, of which irrigation plays a very minor role. Some of these are:

1. Fertility of the soil.
2. Use of commercial fertilizer.
3. Use of MH–30 for sucker control.
4. General efficiency in farming practices.

The production of tobacco, both as to quality and quantity, depends greatly on the individual producer, as well as these other outside influences.

The increase in production that would follow the enactment of this proposed legislation would eventually result in one of two things, or both: (1) a reduction in allotments, or (2) prevention or delay in an increase in allotments that might otherwise be justified in the future.

We would like to call to your attention the fact that under present law a reduction in burley tobacco allotments does not affect all producers, but comes only from the farms with allotments above the minimum of five-tenths of an acre. It is our earnest belief that most of the allotments leased would be from farms with minimum allotments. Since these allotments would remain as a permanent part of the allotment on the original farm, the very allotments that would cause the increased production could not under present law suffer the consequences, but would in reality transfer the adverse effects to many farmers not responsible for the difficulties.

This bill will not serve to benefit the majority of tobacco producers. Most of these farmers will want to continue to farm their present allotments, but—for one reason or another—will not be in a position to, either lease additional acreage or lease their own allotments to other producers. These farmers cannot benefit from a leasing arrangement but stand an excellent chance of being hurt in the future.

We therefore respectfully urge that this committee not act favorably on this bill.

Mr. ABBITT. Thank you for your statement.

Chairman Cooley received a letter from the master of the North Carolina State Grange, and I would ask unanimous consent that it be placed in the record immediately following Mr. Kesler's statement.

We also have a letter addressed to me from the American Farm Bureau Federation by Mr. John C. Lynn, legislative director.

I will ask that that be inserted in the record.

(The letters follow:)

THE NORTH CAROLINA STATE GRANGE,
Greensboro, N.C., June 21, 1961.

HON. HAROLD D. COOLEY,
Chairman, House Committee on Agriculture,
House Office Building, Washington, D.C.

DEAR HAROLD: We received your wire announcing that the Tobacco Subcommittee will consider H.R. 1022 providing for lease and transfer of tobacco acreage allotments on Thursday, June 22, at 2 p.m. I regret that commitments of long standing will make it impossible for me to be in Washington at that time.

While the North Carolina State Grange has said that "the Government should make possible the transfer of small production allotments and should establish criteria for encouraging their consolidation on efficient family farms," the tobacco committee of our organization, after examining H.R. 1022, has gone on record in opposition to the passage of this legislation. There was considerable sentiment expressed by members of the committee from various sections over the State; but, after full consideration, the committee went on record in opposition to the bill.

The members of our Grange tobacco committee questioned the power that would be given to the county ASC committee to adjust acreage on the basis of the productivity of farms and other features which they concluded would weaken the tobacco program.

All the members of our Grange tobacco committee are strong supporters of the tobacco program and do not want to see anything done which might jeopardize its effectiveness or its future.

The cotton committee of the State Grange, as you well know, operating under the general statement quoted above, favored the transferability of cotton allotments within counties and States; and the North Carolina State Grange gave its full support to the legislation which established that principle when the bill was pending before Congress.

On the basis of the most recent action taken by the tobacco committee of the North Carolina State Grange, we are on record opposing the passage of H.R. 1022.

With kindest regards and best wishes, I am,

Sincerely,

HARRY B. CALDWELL,
Master, North Carolina State Grange.

AMERICAN FARM BUREAU FEDERATION,
Washington, D.C. June 21, 1961.

Hon. WATKINS M. ABBITT,
Chairman Subcommittee on Tobacco, House Committee on Agriculture, U.S. House of Representatives, Washington, D.C.

DEAR CONGRESSMAN ABBITT: We respectfully request that this letter be made a part of the hearing record with regard to H.R. 1022, a bill to amend the Agricultural Adjustment Act of 1938 to provide for lease and transfer of tobacco acreage allotments.

At our most recent annual meeting in December 1960 the voting delegates of our member State farm bureaus adopted the following policy with regard to transfer of allotments. "We oppose the sale, lease, or exchange of allotments."

We realize this bill would confine the exchange to leasing only; for 1 year at a time; and to within the county. Also, the farms involved in the leasing presumably would be required to be of approximately equal productivity or adjustments made to compensate for differences in productivity.

These requirements would make the bill very difficult to administer.

Furthermore, this approach would be the opening wedge for lease and sale of allotments on a much larger scale.

This, in turn, could lead to a high fixed value being established for a transferable allotment—a situation that might get completely out of hand. This could well cause injury to the small farmers that the bill apparently is intended to help.

It certainly would cause a much higher percentage of allotments of tobacco to be planted each year. This could eventually lead to a reduction in all allotments if surplus production developed as it probably would.

We believe this proposal is contrary to the interests of tobacco growers and could set in motion forces that would jeopardize the continuation of the present tobacco price-support program.

We therefore respectfully urge your Committee not to take favorable action on this bill.

Sincerely yours,

JOHN C. LYNN, *Legislative Director.*

Mr. ABBITT. We will now hear from Mr. Matthews.

STATEMENT OF W. E. MATTHEWS, A TOBACCO GROWER FROM THE STATE OF NORTH CAROLINA

Mr. MATTHEWS. Mr. Chairman and members, I do not have a prepared statement. I am a bright-belt farmer.

I served 5 years on the ASC committee in the State of North Carolina. I contacted a number of farms in the State of North Carolina, and I think that we could go along with the Matthews bill, maybe, with a few changes.

Mr. ABBITT. I hope that we can get the changes that have been suggested worked out and formulated in the bill. If I have anything to do with it, I will ask the clerk to send around to those who have been here today and have them agree to the changes before we get any action on it.

Mr. MATTHEWS. Mr. Dinkins is here.

Mr. ABBITT. We will be pleased to hear from you now.

STATEMENT OF HARVEY DINKINS, FARM SERVICE DIRECTOR, RADIO STATION WSJS AND WSJS–TV, WINSTON-SALEM, N.C.

Mr. DINKINS. Mr. Chairman, I am farm service director of radio station WSJS and WSJS–TV in Winston-Salem, N.C.

First of all, I want to assure you that this is going to be the briefest statement that you are going to hear today.

I am happy to see my own neighbor and my own Representative in Congress leave his busy schedule elsewhere in the capitol today to come over here to take note of something that involves, approximately, one-half of the agricultural income of the State of North Carolina. The agricultural income of the State of North Carolina is relatively a billion dollars, and tobacco accounts for about half of it.

Further, I want to say that I have the same feeling in greeting you, Mr. Cooley, that I used to have in greeting our own farmer, Bob Doughton.

I always sort of felt when Farmer Bob was on the "bench" everything was safe.

I have done 20 years of newspaper writing, editing, and so forth. And 15 years of radio commentator work, 7 years of television work, among the people of North Carolina, northwestern North Carolina, and that means tobacco growing area of North Carolina and southwestern Virginia.

I have seen this Congress transfer the status of the tobacco grower from that of what might be termed peonage, as they knew it in some other countries, into a status where they have a living income. That has been true ever since the time when we have had a tobacco acreage allotment program.

Mr. Cooley will recall the time when they voted, about 1939, and tobacco brought about 15 cents. All of the other times it has been reasonably good.

However, we have come up to a situation where our acreages have gradually leaked away through the fact that production has been partly increased by reason of better agricultural practices than otherwise. I say we have come to the status where things are critical.

And personally, I feel that this program, for which Red Harper has done so much, is a sensible solution for it temporarily.

Of course, this committee and this Congress knows that you can never fix anything on a permanent basis. Change is always coming. But I think Representative Matthews has sensed the situation and that if this committee could report to the full Agriculture Committee and the Agriculture Committee in turn could report to the House of Representatives this bill and if enacted into law, it would do a great deal to stabilize the tobacco production industry throughout the country.

Thank you, gentlemen.

Mr. ABBITT. I thank you very much for coming here. I want to concur wholeheartedly with what you said about our distinguished gentleman and your Representative in the House. As you know, the chairman and also your distinguished Representative, Mr. Scott, have been most helpful and cooperative with this subcommittee. I appreciate what you have to say.

I am sorry that this conference had to be held under these conditions, but as you know, we have an important piece of legislation up over in the House and we have been requested to come back over there.

I want to thank the Department again for being here to answer any questions. At some agreeable and convenient time with the committee and the Department, we would appreciate your coming back over here when we have more time to see what we can work out. We will have some questions and desire advice from you.

Mr. SCOTT. I have a brief statement that I would like to submit for the record with your permission.

My presence here is to wholeheartedly join and concur with my people in urging the adoption of this legislation.

Mr. ABBITT. Permission will be granted to have your statement inserted into the record.

(The statement of Hon. Ralph J. Scott, a Representative in Congress from the State of North Carolina, follows:)

STATEMENT OF RALPH J. SCOTT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NORTH CAROLINA

Mr. Chairman and members of the committee, I appreciate this opportunity to appear before your committee in support of H.R. 1022, offered by the gentleman from Florida, Mr. Matthews.

All of the seven counties of my congressional district are deeply interested in the production of tobacco. Shortly after this bill came to my attention, I undertook to publicize it through the newspapers, county farm offices and through farm leaders. I have received petitions signed by hundreds of tobacco farmers as well as a large number of letters and personal contacts urging my support of this bill. I can say that it has substantially unanimous support among the warehousemen, tobacco farmers, and business leaders in my district.

Tobacco is grown in all of the seven counties of my district and I believe the average farm allotment is approximately 4.2 acres. But there are hundreds of farmers with allotments of 1 or 2 acres or less. These are the ones I feel would benefit most under the pending bill.

For many years, the value of the small tobacco farm has been based largely upon its acreage allotment. Many such farms purchased at prices based upon acreage allotments of 6 or 8 acres, for example, now have allotments of 1 or 2 acres and in hundreds of instances even less, due to acreage reductions which have been made from time to time. Thus the farmowner has seen his original allotment gradually dwindle down to a point where he can no longer afford to

protect it by cultivation, as he is required to do under existing law. Put in another way, this simply means that the little farmowners coming within this category have lost a substantial part of their original money investment in their land. And unless the bill under consideration, or similar legislation, is passed, they will soon lose the remainder of their small allotments plus a substantial part of the cash investment they have in it. This not only works a great hardship but also an injustice on the small farmowner. The usefulness, value, and salability of his farm will be further materially impaired unless legislation of this type is enacted.

I strongly feel that a tobacco allotment should remain with the farm and be considered and dealt with as a part of the land to which it is assigned or attached, with discretion in the owner to cultivate, transfer, or lease it as he pleases according to the provisions of this bill.

Mr. Chairman, I sincerely hope your committee will see fit to act favorably on H.R. 1022 and that during this session it may become law.

Mr. ABBITT. We deeply appreciate your help and assistance to this committee, and appreciate your statement.

We have another guest with us today, Mr. Hicks, and I wish to say that we appreciate your being here.

I will ask unanimous consent to have placed in the record several letters and telegrams which have been received.

(A letter dated June 20, 1961, from the Plant Food Institute of North Carolina and Virginia, Inc.; a telegram from J. D. Ross dated June 19, 1961; and a telegram from J. T. Marston, Jr., president, State Bank & Trust Co., Greenville, N.C., follow:)

PLANT FOOD INSTITUTE
OF NORTH CAROLINA AND VIRGINIA, INC.,
Raleigh, N.C., June 20, 1961.

HON. HAROLD D. COOLEY,
Chairman, House Committee on Agriculture,
Washington, D.C.

DEAR CONGRESSMAN COOLEY: This is in reply to your telegram of June 19 with reference to House bill 1022.

I do not have a copy of this bill, but I do think the time has come when we will have to give some consideration to the transfer of tobacco acreage allotments.

At the present, I feel we should hold them within the county. We should never allow tobacco allotments to be sold and we should not give new allotments on experience alone. We did that in 1935 and found that landlords would get an experienced tobacco man to come to his farm for 1 year, get an allotment established, and then run him off. The tenant would go to another farm with that experience and get another allotment established. This was an endless business.

By permitting transfers within the county we can relieve the pressure and administer the program much easier and I think supply the type tobacco that the trade wants from the respective belts or areas.

Tobacco differs from cotton in that it is a higher valued crop. If you permit it to go across county lines or even across belt lines, there will be such bidding for it that it will be difficult to keep up with. Not only would the program be difficult to administer, but it would tend to get the tobacco out of the areas where it has been commonly grown. I think some of the manufacturing trade set up their blends from tobacco grown in different areas.

You may record my testimony in favor of transfers with the above stated exceptions.

Sincerely,

E. Y. FLOYD, *Director.*

GREENVILLE, N.C., *June 22, 1961.*

Congressman WATKINS ABBITT,
Agriculture Committee,
New House Office Building, Washington, D.C.:

Strongly urge adoption of H.R. 1022.

J. T. MARSTON, Jr.,
President, State Bank & Trust Co.

ASHEBORO, N.C., *June 19, 1961.*

Hon. HAROLD D. COOLEY,
Member of Congress,
House Office Building, Washington, D.C.:

Re Matthews of Florida tobacco allotment bill hearing Thursday. In my opinion this bill or similar one would be of great help to tobacco farmers in our Piedmont section. Tobacco allotments are so small it would enable good farmers to secure sufficient acreage to justify help and equipment. Higher grade tobacco would be produced result of better preparation and cultivation. The right to lease would not hurt large tobacco growers in the East as it would not be compulsory.

I certainly believe the lease plan would be good for our section and help solve the problem of the man with less than 3-acre allotment. Hope you will help put this across.

J. D. Ross.

Mr. STUBBLEFIELD. I am sorry to have been late.

Mr. ABBITT. Mr. Stubblefield is a valuable member of our subcommittee.

If there is no one else who wants to be heard, we will adjourn this conference.

(Whereupon, at 4:10 p.m., the conference adjourned.)

LEASE AND TRANSFER OF TOBACCO ACREAGE ALLOTMENTS

TUESDAY, JULY 25, 1961

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON TOBACCO
OF THE COMMITTEE ON AGRICULTURE,
Washington, D.C.

The subcommittee met, pursuant to call, at 10 a.m. in room 1310, New House Office Building, Hon. Watkins M. Abbitt (chairman of the subcommittee) presiding.

Present: Representatives Abbitt, Cooley, McMillan, Jennings, Matthews, Stubblefield, Dague, Short, and Findley.

Also present: Representatives Beermann and Watts. Christine S. Gallagher, clerk.

Mr. ABBITT. The Tobacco Subcommittee will come to order.

We have for consideration today H.R. 1022, introduced by our colleague, Mr. Matthews, to amend the Agricultural Adjustment Act of 1938 to provide for lease and transfer of tobacco acreage allotments. The bill and the report of the Department of Agriculture dated June 22, 1961, will be made a part of the record at this point.[1]

STATEMENT OF RAPHAEL V. FITZGERALD, ASSISTANT DEPUTY ADMINISTRATOR, PRICE AND PRODUCTION; ACCOMPANIED BY JOSEPH WILLIAMS, DIRECTOR, TOBACCO DIVISION; WILLIAM O. SHOFNER, DEPUTY DIRECTOR, PRICE DIVISION; GENE BAYOL, DEPUTY DIRECTOR, SOUTHEAST AREA OFFICE, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE; AND HOWARD ROONEY, OFFICE OF THE GENERAL COUNSEL, U.S. DEPARTMENT OF AGRICULTURE

Mr. ABBITT. We have with us Raphael V. Fitzgerald, Assistant Deputy Administrator, Price and Production, Agricultural Stabilization and Conservation Service, U.S. Department of Agriculture.

Mr. Fitzgerald, we appreciate very much your coming down to testify on the matter before us, and we shall be pleased to hear from you at this time. Your associates may come to the table with you.

Mr. FITZGERALD. I would like to introduce them. Mr. Rooney, of the Office of General Counsel; Mr. Bayol, deputy director of the southeast area office; Mr. Shofner, deputy director, Price Division; Mr. Williams, the director of the Tobacco Division.

[1] See p. 1.

Mr. Chairman and members of the subcommittee, I appreciate the opportunity to appear before you today. I am Raphael V. Fitzgerald, Assistant Deputy Administrator, Price and Production, Agricultural Stabilization and Conservation Service, U.S. Department of Agriculture, and I am representing Mr. Horace D. Godfrey, our Administrator, who is unable to be here. I have a brief statement, and am here to answer any questions which you may have, regarding a revision of H.R. 1022 which I understand this committee now has under consideration.

You will recall that Mr. Godfrey testified on June 22, 1961, before this committee on an earlier version of H.R. 1022, as introduced by Mr. Matthews on January 3, 1961. Mr. Godfrey's testimony, and our report of June 22, favor enactment of H.R. 1022 if certain modifications were made.

The revision of this measure which is before us today encompasses some of the modifications discussed previously. It does not, however, embrace other and more important revisions which we believe need to be added before enactment. Compared to the previous measure, the present version eliminates or clarifies certain ambiguities relating to the approval by the county committee of the lease and transfer of allotments. The language regarding the preservation or distribution of acreage history in connection with the establishment of future allotments has been clarified. Further, the present bill would provide for establishment by the Secretary of closing dates for filing, in effect, applications for allotment transfers. This is a desirable addition. In similar vein the present measure encompasses clarifying detail regarding downward adjustments in allotments transferred in cases where the normal yield on the recipient farm exceeds by more than 10 percent the normal yield on the farm from which the allotment is transferred. Here again the new language is an improvement.

More importantly, however, the present version of H.R. 1022 still is limited to tobacco, and thus does not apply equally to all acreage allotment and marketing quota crops. If lease and transfer is to be permitted, we continue to believe that the authority should apply indiscriminately and without exception to all commodities which are controlled by acreage allotments and marketing quotas. The cotton farmer would not understand, for example, why the privilege or right of lease and transfer is denied to him, if it is available to the tobacco producer; the same would apply to the peanut producer. These are three crops for which, to a degree, areas of production are overlapping. Lack of equity in this respect extends to other allotment crops as well.

The Department also has recommended, and continues to recommend, that authority for the sale of allotments, or their leasing for a period of years, is much to be preferred to a year-by-year leasing authority such as provided by H.R. 1022. Assuming that the sale and transfer, or longer term lease and transfer, is accompanied by necessary and adequate safeguards, such authority would lend encouragement both to the development and maintenance of family-size economic production units. The Department in its report of June 22 pointed out that the average of all tobacco allotments—and we have 576,331 tobacco allotments this year—amounts to only 2.07 acres per farm. Flue-cured tobacco comprises 60 percent of our tobacco acreage, with an average

allotment of 3.5 acres per farm. Forty percent of our upland cotton allotments and one-third of our peanut allotments are no more than 5 acres in size.

It goes without saying that some of these allotments do not constitute efficient production units. To encourage production efficiencies and to strengthen the farm plant generally, looking toward the development of economically self-sustaining units, authority is needed to combine some of these smaller allotments either through permanent transfer by sale, or by longer term lease. There are, of course, those who would say that the present law provides all the authority necessary to the combination of allotments, but this approach also requires the acquisition of additional land. At best such a procedure is indirect and somewhat clumsy. Further, it may tend to saddle the purchaser with additional land which he may not need in his overall farming operation, and in any event it burdens him with added costs not necessarily related to the additional allotment he may obtain. Authority for the sale and longer term lease of a commodity allotment also would permit those persons who, for one reason or another, do not want to continue the production of that commodity to deviate their production resources to other enterprises, and they could be compensated for doing so.

There are other safeguards which should be included in the measure in order to make it feasible and workable. For example, no commodity allotment should be transferred to a farm which does not have a current allotment for that commodity. The bill should include overall limitations as to the total of all acreage allotments. This could be expressed both as a percentage of cropland limitation, and separately by allotment crops in terms of acreage. The bill also should impose appropriate restrictions on the establishment of new allotments. Minimum acreage allotment provisions will need to be clarified so that there is no opportunity for an overall increase in allotments as a result of either sale or lease. Likewise, clarification will be needed of certain exemption provisions now in the law, such as the 15-acre farm exemption and the 30-acre feed provision for wheat, and the 1-acre peanut provision. The sale and transfer of allotments should not operate in a manner which would provide additional exemptions by virtue of these provisions. The frequency and multiplicity of transfers will need to be limited. Once a transfer has been made, the allotment or portion thereof transferred would not be eligible for transfer again for a reasonable period of time.

Further, special provisions are needed to take account of farms which are participating in the Great Plains program and the conservation reserve of the soil bank program. For these farms allotment transfers would need to be limited to the permitted acreages of the commodities in order that provisions of our various programs are consistent with each other. Similarly there is need for development of a policy covering the sale and transfer of allotments on Government-owned land.

Again, this Department stands ready to assist the committee in preparing appropriate drafts of legislation along the lines which we have recommended.

Mr. ABBITT. Thank you very much for your statement, Mr. Fitzgerald.

I would merely point out that most of your statement is related to a general transfer of allotments rather than the particular problem before this committee. This committee, of course, deals only with tobacco. We have not heard from the cotton farmers or peanut farmers or others who might want to be included.

In my opinion, as far as this subcommittee is concerned we are limited to the transfer of allotments of tobacco. There has been considerable discussion among the tobacco producers, among Members of Congress, and others who are clamoring for this particular legislation. I think for some little time, Congressman Matthews has been interested in the transfer of tobacco allotments, along with some others. I just point out that the last page or two of your testimony would not apply to this particular legislation, but would apply more or less to general legislation dealing with the transfer of allotments. My recollection is that there is some legislation for cotton now. Am I right in that regard?

Mr. FITZGERALD. There is some provision for transfer.

Mr. ROONEY. Release and reapportionment, Mr. Abbitt.

Mr. ABBITT. We have certain suggested amendments to the bill. Have you seen that? These would more or less take the place of H.R. 1022.

Mr. ROONEY. I think that is what we are testifying on here today, Mr. Abbitt.

Mr. ABBITT. As I understand it, you are satisfied with the new language regarding the preservation of acreage history.

Mr. FITZGERALD. Yes, sir.

Mr. ABBITT. And the elimination of ambiguity relating to approval by the county committees. You think that is an improvement, too.

Mr. FITZGERALD. That would be an improvement; yes, sir.

Mr. ABBITT. You are satisfied with the downward adjustment in allotment transfers in cases where the normal yield is exceeded by more than 10 percent?

Mr. FITZGERALD. We are not suggesting that this is the perfect answer, but it is certainly an improvement over the previous situation.

Mr. ABBITT. As I understand it, the main objection you have here is twofold: That it is limited to tobacco, and it does not permit sales of allotments.

Mr. FITZGERALD. Yes, sir.

Mr. ABBITT. Is it your considered judgment that the sale of allotments would help the family farm?

Mr. FITZGERALD. That is the position which the Department has taken here, Mr. Abbitt.

Mr. ABBITT. What is your position?

Mr. FITZGERALD. It would be the same as the Department's.

Mr. ABBITT. It seems to me, from the little experience I have had, that it is the worst thing that could happen to the family farm. The large landowners, the ones who have the means, would buy the allotments, and the small farmers would soon be squeezed out.

Mr. FITZGERALD. There certainly would have to be adequate safeguards.

Mr. ABBITT. What safeguard would prevent a man with the money from buying it?

Mr. FITZGERALD. As suggested here, there would be a limitation on the amount of allotment which could be transferred to a new owner, both in terms of the total allotments which he gains and perhaps on a different basis, perhaps on a percentage basis, in order to make it gradual.

Mr. ABBITT. In other words, you would have to have one criterion for tobacco, another for cotton, and another for peanuts.

Mr. FITZGERALD. I suspect that would be true.

Mr. ABBITT. Does that not lend itself to the fact that you need separate legislation for each one of these commodities?

Mr. FITZGERALD. No. I believe it could all be included in the same legislation.

Mr. ABBITT. You might wind up with another omnibus farm bill, might you not? We have had some experience with that. It might be a good time to have this omnibus farm bill.

Assuming that this subcommittee is dealing only with tobacco, do you suggest for tobacco legislation that no tobacco allotment would be transferred to a farm which does not have a current tobacco allotment?

Mr. FITZGERALD. No, sir. We maintain the position that we approve this sort of legislation, but with the modifications suggested by the Department. That is, it shall not be limited, for instance, to tobacco.

Mr. ABBITT. I notice on page 3 you say, "For example, no commodity allotment should be transferred to a farm which does not have a current allotment for that commodity."

I say, assuming that we limited this legislation to tobacco—and if I have anything to do with it, it certainly will be limited to tobacco—do you think the Matthews bill should be amended so no tobacco allotment could be transferred to a farm which does not have a current allotment for tobacco?

Mr. FITZGERALD. It is our position that in the matter of transfer, lease or sale of allotments, a man who does not now have an allotment should not have this made available to him. Otherwise, we might have bankers or processors or someone else going into the tobacco producing business, for instance.

Mr. ABBITT. You would limit the production of tobacco to those farms which now produce tobacco?

Mr. FITZGERALD. That is right. I would limit the production of the commodity involved to those farms which already have allotments.

Mr. ABBITT. The Matthews bill makes no reference to that.

Mr. FITZGERALD. That is true.

Mr. ABBITT. Is that suggested bill intended to keep it in the hands of farmers?

Mr. FITZGERALD. That is the general intention; yes, sir.

Mr. ABBITT. Why would you limit it to the farm which has allotments? For instance, suppose a tenant finally becomes able to get together enough money, plus the borrowing we permit him under the omnibus farm bill, to purchase a farm. The tenant has been working on the farm all his life, but as a tenant. Under your proposal he could never buy a farm and get the release of a tobacco allotment unless he bought a farm which had a tobacco allotment on it.

Mr. FITZGERALD. I do not know how tobacco is set up in that regard. Will you clarify that, Mr. Rooney?

Mr. ROONEY. That is right. If he could get a new farm allotment, then he could qualify.

Mr. ABBITT. If he got a new farm allotment he would not so much desire a release, but in a lot of areas you cannot get a new farm allotment. Whether or not he can get it has something to do with his ability to pay the loan.

Mr. ROONEY. I think the Department's position in the case you cite would be that the man would be eligible for a small new allotment, supplemented by purchase.

Mr. FITZGERALD. We are principally concerned that these allotments be transferred to bona fide farmers and not people who previously were not engaged in farming. Whether this language is adequate for that or not, I do not know.

Mr. MCMILLAN. Mr. Chairman, I certainly agree with the witness that the provisions of H.R. 1022 should be extended to other commodities, especially cotton, but I must agree with the chairman that I do not believe this subcommittee has authority over any commodity except tobacco. If this committee reports H.R. 1022 to the full committee, the full committee can decide if they want to amend the bill to include other commodities.

Mr. DAGUE. I have no comments, Mr. Chairman, except to concur in your belief that it should be limited to 1 year and that it should be confined exclusively to those who already have tobacco allotments.

Mr. ABBITT. Mr. Jennings.

Mr. JENNINGS. Just to clarify in my own mind the Department's position, it is this: You favor the sale of allotments.

Mr. FITZGERALD. Yes, sir.

Mr. JENNINGS. You favor expanding this subject matter to pertain to the transfer and sale of allotments of all commodities which have quota, rather than just tobacco.

Mr. FITZGERALD. Yes, sir.

Mr. JENNINGS. Getting away from the position that you favor, sales or transfers across the board for all commodities, and directing ourselves to this piece of legislation, H.R. 1022, it provides for transfers for 1 year only. Yet in your testimony I believe you refer to the fact that it should be for more than 1 year. Do you mean by that that if an acreage allotment is leased for 1 year, it could be continued for more than 1 year?

Mr. FITZGERALD. That they should have the authority to make the transfer for a longer period of time in the beginning, rather than just for 1 year, because that means at the end of 1 year this man who got the new allotment, who rented it or leased it, has to give it back. He can lease it again.

I understand Mr. Matthews is trying to attack the problem of uneconomic units, and his point is well taken. We assume there are uneconomic producing units, and we do not attack that problem if we allow the transfer for only 1 year, and perhaps do not allow the man who is getting the new allotment or additional allotment to make the investments necessary to take care of the additional allotment—for instance, the erection of a barn.

Mr. JENNINGS. It would be very difficult, would it not, to attack the uneconomic situation as it exists in farming by attacking the tobacco problem only?

Mr. FITZGERALD. Yes.

Mr. MATTHEWS. It was not my purpose in presenting this little tobacco bill to solve all the problems of agriculture. I want to make plain that this is merely a modest attempt at solving some of the problems of one very important commodity. The last thing I have in mind is to use this bill to solve the problems of uneconomic production in agriculture.

Mr. JENNINGS. If we did what you are recommending, if we made this for more than 1 year, in effect it would add to the sales. I do not suppose we would have to have conditional sales contracts and have them recorded, but it would be sales on a budget basis, would it not? It would be on a time payment plan. You would sell it over a period of years, but each year you would pay for that particular year. Year by year you would pay for it. It would be divided in equal yearly payments, rather than in one payment. Is that not in effect what it would do?

Mr. FITZGERALD. It could be done that way, I suppose.

Mr. JENNINGS. If we provide for leases for more than 1 year, say a 5-year period, then at so much a year, the man finally would wind up with a yearly payment plan, would he not?

Mr. FITZGERALD. I am afraid I do not understand exactly, but I suppose the agreement between the buyer and seller would have to meet the objective of the language of the bill.

Mr. JENNINGS. The effect of the long-term leasing arrangement is to meet the same end, a sale.

Mr. FITZGERALD. Except the allotment as such is not transferred.

Mr. JENNINGS. Who would be permitted to vote in a referendum, the man who has the allotment leased or the man who leased the allotment, or both?

Mr. FITZGERALD. I do not know.

Mr. Rooney, have you thought about that?

Mr. ROONEY. I think it might depend upon the arrangement between the seller and the buyer, the lessor and lessee.

Mr. JENNINGS. You mean we are going to get into the problem that if he leases his allotment, he also is going to lease his right to vote in a referendum?

Mr. ROONEY. What if he leases for a share of the crop?

Mr. JENNINGS. I assume he can do that now under sharecropping. He can do that today.

Mr. ROONEY. That is the test of whether he is the producer of the tobacco. Any landlord who gets a share of the crop is eligible to vote.

Mr. JENNINGS. He has that today.

Mr. ROONEY. They could both vote if he leased for a share of the crop. I would say he would lose the right if he leased all of the allotment for cash.

Mr. JENNINGS. If I have a 5/10- or 7/10-acre allotment and I lease it to Mr. Matthews for a period of 1 year and we have a referendum in that year, I do not have the privilege of voting?

Mr. ROONEY. If you do it for cash?

Mr. JENNINGS. If I lease it for cash.

Mr. ROONEY. I would say not, because you are not producing tobacco.

Mr. JENNINGS. This will defeat the program. If you do not give the little producers the right to vote in a referendum, if they sell their right to vote in a referendum at the same time they execute a lease, I think it would be detrimental to the program.

Mr. WATTS. Although I am not on the committee, I want to call attention to the draft I have just had a chance to look at, which I think makes what he said off base. If you will turn to page 2, section (d), the language I am talking about is this:

> The amount of acreage allotment which is leased from a farm shall be considered for purposes of determining future allotments to have been planted to tobacco on the farm from which such allotment is transferred * * *.

If that means what it says, it means this fellow raised the tobacco on his own farm, and he certainly would be entitled to vote.

Mr. ROONEY. Only for purposes of determining the future allotment, not for his right to vote.

Mr. WATTS. It is determined under the law that he has raised that tobacco himself.

Mr. ROONEY. The referendum is separate from the allotment provision. You have to be the producer of tobacco.

Mr. WATTS. That is exactly what I take this language makes him.

Mr. ROONEY. The cash landlord has never voted in our referenduns. Although the tobacco is grown on his farm, if he leases it for cash he does not vote, because he does not produce tobacco. He does not share in the crop. If he shares in the crop, he votes.

Mr. WATTS. It strikes me that he would have the same right he would have if it were planted on his farm; and if it was planted on his farm, he certainly would have the right to vote, since the law says it should so be considered.

Mr. JENNINGS. As I understand, that is not correct. If I have an allotment on my farm and I rent it to you for cash rental, you are the man who votes, and not me.

Mr. WATTS. You mean under the situation as it exists now before this amendment.

Mr. JENNINGS. Yes; at present.

Mr. WATTS. I was basing my statement on the language that the amount of acreage allotted which is leased from the farm shall be considered for the purpose of determining future allotments to have been planted to tobacco, and so forth.

Mr. ROONEY. In other words, the farm history. That is what that pertains to.

Mr. WATTS. It would be very simple to put an amendment there, if necessary, assuring him the right to vote, if that disturbs anybody. Of course, this number of leases will not amount to many.

Mr. JENNINGS. I am afraid it will down in my section, unlike your section. For instance, in my congressional district we have roughly 17,000 people who grow burley tobacco. We have 13,000 acres divided among them. That makes less than seven-tenths of an acre for each farmer. I can see what might happen. Some large farmer, one who had 5 or 6 acres of tobacco with the barns, various machinery, and tenant farmers, might rent these allotments. If that happened in a voting year, the little farmer would not have his voting rights.

Mr. WATTS. That can be taken care of, I should think, by virtue of an amendment which would provide the voting rights.

Mr. JENNINGS. You will agree it would need an amendment?

Mr. WATTS. I would say there would be no objection on my part.

Mr. JENNINGS. Do you think it is needed?

Mr. WATTS. I doubt it seriously, but if that will settle the gentleman down, I would be delighted to consider it.

Mr. JENNINGS. I am not sure that will settle me down, but I think it is badly needed.

Mr. MATTHEWS. Will the gentleman vote for the bill if we agree to his amendment?

Mr. JENNINGS. Just as I told Mr. Watts, that is one of the things that disturbs me. There are some other things that disturb me on this. I want to see how much power this gives the Secretary of Agriculture. I want to see how some of the farm organizations feel about it. I think we should go into the entire area which has been proposed by the Department as to whether this should pertain to other commodities. It appears to me that in answer to a request for a report on this bill, the Department has come in with a report on the entire subject, and perhaps we should have some general hearings on the lease and sale of allotments.

Mr. ABBITT. Mr. Findley?

Mr. FINDLEY. Mr. Chairman, I think Mr. Jennings' suggestion is a good one because it seems to me that H.R. 1022 may not itself, in the revised form, represent a radical departure but if the ideas presented by Mr. Fitzgerald are embodied in law it seems to me it would represent quite a radical departure from our idea of the control of tobacco production.

I would like to have Mr. Fitzgerald correct me if I am wrong but as I understand it under present law the only way you can acquire the right to grow tobacco in areas where H.R. 1022 would apply is to buy the land. Is that substantially correct?

Mr. FITZGERALD. Substantially, I believe, that is correct.

Mr. FINDLEY. And if the idea you just presented of not only permitting the lease and transfer of tobacco acreage but the sale of the right to grow tobacco is embodied in the law, then we will be embarking on the road to licensing the right to produce. Would that be an unreasonable conclusion?

Mr. FITZGERALD. I think somewhat, yes, Mr. Findley. Right now as I understand it a tobacco man must buy as he does in wheat. He must buy the quarter section on which the wheat allotment is located. There is capitalized value in that land, is there not, because of the allotment on that land?

Mr. FINDLEY. Yes. You are suggesting limiting the sale to a person who already has a tobacco allotment, is that correct?

Mr. FITZGERALD. It seems to me that would be fair.

Mr. FINDLEY. Is that the attitude of the Department of Agriculture on this broad application of the sale of allotments? Would they apply the same theory to cotton and rice, in other words?

Mr. FITZGERALD. I believe so, Mr. Findley.

Mr. FINDLEY. It does seem to me that that would be a considerable departure from what we have done in the past. When you buy the right to tobacco today you buy real estate. The price of real estate

is high, representing not only the value of the land but the value of the right to produce tobacco. If we get our foot in the door in this other direction it seems to me it won't be too long before we will buy and sell and bequeath to our heirs the right to grow these commodities. I certainly concur in Mr. Jennings' thought that all this certainly requires considerable thought.

Mr. MATTHEWS. Mr. Chairman.

Mr. ABBITT. Mr. Matthews.

Mr. MATTHEWS. I do not think H.R. 1022, with the amendments, represents a philosophy very much different, Mr. Fitzgerald, from that which you expressed today. As I see it, you are suggesting that we go a little bit further actually than H.R. 1022 would suggest in this field of the transferring and leasing of acreage allotments. That is the one difference. You would extend it to other crops. Then the second difference is, instead of the sale of the lease and transfer you would go along with the sale of acreage allotments. Am I correct with that statement so far?

Mr. FITZGERALD. Yes, sir.

Mr. MATTHEWS. I sincerely hope, Mr. Fitzgerald, the Department won't oppose this bill. We plead with you not to insist on the extra steps you have suggested. This is a simple piece of legislation and it concerns tobacco only.

I am very much interested in Congressman Jennings' fears and the fears of his people. My own people have some reluctance and every Congressman representing a tobacco area would have people who have some reluctance about this bill. We do not want to upset an applecart that is moving along properly and with reasonable success. That is the reason I wanted the lease arrangements in the bill limited from year to year. The statement was made a few minutes ago that one idea we had in mind with this bill was to make possible an economic unit of production.

The other idea just as important is to try to help the little family-size tobacco farmer.

Believe me, Mr. Chairman, if at the end of 1 year this bill did not do that I would be the first one to come back before this committee and ask for legislation to take it off the statutes.

Again, let me say, I want it definitely on a year-to-year basis. I really sincerely believe that all of these "ifs" will find themselves more in the shadow rather than in the substance if we limit it on a year-to-year basis. Therefore, for that same reason I have to be opposed to this idea of the sale of these acreage allotments. I just do not want to go that far.

I sincerely hope the Department, if we do not want to go that far, will not oppose us on this legislation.

Mr. ABBITT. If the gentleman will yield, it is not my understanding that the Department objects to the leasing, but they think that in addition to the leasing that it should not be limited to 1 year and should also include the sale.

Mr. MATTHEWS. Mr. Chairman, I hope if we do not go along that far that the Department won't oppose us. Let me emphasize again, I believe our philosophy is certainly not opposed to their philosophy. Then let me just say this one additional thing: If we were to try to take H.R. 1022 and make it a vehicle to solve the problems of

cotton and rice and wheat, I would find myself in a position where I would have to say, Mr. Chairman, I ask for the defeat of my own bill because I do not pretend to have that knowledge. This bill was not supposed to be a vehicle for that, however, desirable it may be.

I sincerely hope that we do not try to take H.R. 1022 and make it a vehicle for much broader farm legislation, no matter how desirable that legislation is.

Just one final statement. I want to thank you, Mr. Chairman, Mr. Watts, Mr. Jennings, and other members of this subcommittee for the suggestions made at previous hearings. You gave us the information for this very lengthy amendment which I sincerely think answers all of the original objections to the bill.

As the author of the bill, I am perfectly willing to accept one or two other minor amendments but I do hope and pray that we can keep to this idea right now, this year, of just lease and transfer on a year-to-year basis.

Mr. ABBITT. Mr. Stubblefield?

Mr. STUBBLEFIELD. Mr. Chairman, my interest is twofold in this bill. In the first place, in my district there are a lot of old people who do not want to grow their allotments. They have to plant once every 3 years to keep them. They do not want to sell their allotments. They do not want the sale provision in there under any circumstances. That largely determines the value of their farm. Dark-fired tobacco has a diminishing consumption. Dark tobacco is gradually phasing out. We do not know what the bill will do. We do not know whether it will increase the supply or just what the result will be. We certainly do not want to get into an overproduction situation where we will have to do some cutting back. We would oppose the sale of these allotments. That just would not fit in with our program down there at all.

A 1- or 2-year lease is certainly as far as they want to go on account of the production uncertainty.

Mr. ABBITT. Do you have any questions, Mr. Jennings?

Mr. JENNINGS. The gentleman from Florida, who offered the bill, says that this is for only 1 year. I do not find that it is limited to 1 year because section (b) says that—

> No lease shall be entered into for any period in excess of 1 crop year but may be renewed from year to year if the parties so agree.

So actually, the bill itself is not limited to 1 year as I would construe it. It is limited to so long as they want to continue on a year-to-year basis.

Mr. ABBITT. It has to be a new lease each year.

Mr. JENNINGS. Yes, but this particular bill is not limited to a trial basis of 1 year.

Mr. ABBITT. No.

Mr. JENNINGS. The author of the bill said it was limited to 1 year, if I understood him correctly, because he said that was his intention and at the end of 1 year if it was not working satisfactorily, that it would expire and therefore there would be no necessity of going into it again.

Mr. ABBITT. It would not be for just 1962. It would be from now on unless changed by Congress.

Mr. MCMILLAN. How would it work; by a referendum, I presume?

Mr. JENNINGS. It would be from now on.

Mr. ABBITT. Congressman Watts, we are pleased indeed to have you with us today.

Mr. WATTS. I am an interloper but I cannot forget you fellows when it comes time to negotiate with you. I have had an opportunity to read the amendment and I thought the bill more or less met most of the objection that was advanced here the other day when we had a hearing. With reference to the sale of tobacco allotments, I think there is nothing in the world that would destroy the tobacco program quicker than sale of allotments. I do not think it is the purpose of Mr. Matthews' bill or the purpose of Congress to build up large allotments of any commodity because the minute you do that and the rest of the people are left out, even though they have sold their allotment they turn around and say, "Let's get rid of it." I think whenever you go into the sale you have started the process that will ultimately finally and completely destroy allotment programs. I do not think there is any way to escape that theory.

With reference to the term of the lease, I think 1 year is correct. That gives each party the right to control it. At the end of the year if it has been a satisfactory arrangement between Mr. Jennings and myself, we can renew it. We can comply with the terms of the law and go back. He can back out or I can back out. Certainly no harm can be done to anybody's tobacco allotment in the period of 1 year whereas if you let people enter into leases for 10 or 15 years nobody knows what the economic situation will be at the end of maybe 2 years or 3 years. I think Mr. Matthews is very correct in his attempt to restrict it to 1 year. Of course, Congressman Jennings makes the point that it can be renewed. Any lease can be renewed or any deed or any contract if the parties are always agreeable.

I see no objection to two farmers, if they want to, renewing it, if that has been satisfactory to both of them, although at the end of the year if it is not satisfactory to either one of them, they can back out.

With reference to the voting, I think that could be taken care of by a very simple amendment that would provide not only that his history be preserved, as done in this draft, but also that his voting rights be continued.

I also see another thing in here that I like. It is geared so that it cannot result in a tremendous increase in the production of tobacco because if the fertility of the land that the tobacco is grown on exceeds the fertility of the land that it comes from by 10 percent—I believe that is the figure in here—then the county committee must make an adjustment and bring down the amount of acres that are being transferred. If you are transferring 2 acres and transferring from land that produces 1,000 pounds to the acre to land that produces 2,000, the fellow would only get to raise 1,000 pounds for each acre which would hold production down. I think that is a fine improvement in the bill.

I also notice that a question was raised here by Horace Godfrey, when he was testifying that this would allow a producer to even go out and lease some ground after he planted his crop and got ready to harvest it if he had excess acres. I see they have provided that it must be done pursuant to a regulation of the Secretary, which sets the time, which would take care of that.

It has been restricted to 5 acres or 50 percent of the acreage cropland. That is fine. I do not think it was ever the purpose of the bill to build up a great big tobacco base. It was merely a scheme or idea to help some little people, maybe a couple of neighbors who lived close together. If one leased the land to the other, one could go away and get a job and the other stay home and produce the tobacco. If you tie it down to 5 acres I do not see how you will build up any great big monstrosity of a base that would be bad.

So far as the bill is concerned, it affects my section of tobacco production less than any place in the world I reckon because most of my allotments are probably of a size economically that they can go on by themselves. I can see where in Mr. Perkins' section and to a certain degree in Florida that it could be a useful thing, provided we are sure we do not get anything into it that is going to be detrimental, but as long as these farmers have control of it from year to year and as long as it has to be done under the supervision of the ASCA Office and as long as there has to be adjustment of the amount, I do not see how the bill could do a great deal of harm. As far as the extension to other crops, I think that is a matter that ought to address itself to whether the other crops want it or not.

Mr. Matthews has talked about this bill for 4 or 5 years. My tobacco association has opposed it more or less on the theory that the Department would want to go ahead with sales and long leases. This year they said they would not oppose it with these provisions in it. I do not think they have seen these new provisions. If I remember right, according to the testimony of Frank Snodgrass and the other folks here these changes have attempted to meet all of the principal objections that I heard raised at that time.

Mr. Abbitt. In line with what you have just said, so far as I can recall this suggested amendment has attempted to meet every objection that was raised in the Matthews bill, with the exception of the Department's advocating sale. My recollection is it did not meet the Department's amendment for long-term lease and sale. So far as I can recall it met every other witness' objection. So far as I can recall at that time no question was raised about voting. I would like to ask the attorney what language would you suggest to set at rest the question of who would vote? So far as I am concerned everyone in my area almost unanimously has supported the tobacco program. It is over 95 percent.

Mr. Jennings. If the gentleman will yield, it has in my burley area also. I want to make sure these people who favor the program may continue to vote and that they aren't leasing away their voting rights as well.

There is one other question, if you will yield, Mr. Chairman: As I understand, the Department recommends that these leases go only to someone who is raising tobacco.

Mr. Fitzgerald. That is our thought at the present time, yes.

Mr. Jennings. But this bill does not provide that.

Mr. Fitzgerald. No.

Mr. Jennings. This bill provides leasing to anyone. If I never raised a stalk of tobacco and this bill passes, I can go out over the countryside and make leasing arrangements with various farmers and grow tobacco on my farm.

Mr. ABBITT. They did not limit it to that. They suggested limiting it to a farm that had a tobacco allotment on it. A rich man could come in from New York and buy up a thousand acre farm that had 10 acres on it. He could go out and buy up allotments. It is not limited to a man who raises tobacco but it is limited to a farm with tobacco allotments.

Mr. MCMILLAN. Do you think that type man would not want to lease tobacco land?

Mr. JENNINGS. Under the terms of this bill, a farmer who has never raised tobacco may go out and make arrangements with an individual farmer to lease his allotment and grow it on that particular farm.

Mr. ABBITT. That is right.

Mr. MCMILLAN. If the gentleman will yield, the only people who would want to take advantage of the provisions of the proposed legislation would be the small farmer who has less than an acre or possibly old people who could not work their tobacco farm. The only objection that I can see that any farmer could raise against the 1-year provision would be the fact that if a farmer leased several of these small allotments it would be necessary for him to build a new tobacco barn and whether he would want to build a barn for 1 year or not I do not know.

Mr. ABBITT. Most of them would lease them. Those who have small allotments themselves would have adequate facilities to take care of a little more. He would want an acre or two to bring over to his acre——

Mr. STUBBLEFIELD. So he could fill his barn up.

Mr. WATTS. I get Mr. Jennings' point. That could be corrected very easily on page 2, (e), "may be leased or transferred to any farm now having a tobacco allotment." That would take care of that, on page 2, under (e). That might not take care of it. You might have to do it some other place. I do not reckon anybody would want to lease it unless they had an acreage allotment.

Mr. JENNINGS. Let's not kid ourselves. Here is what will happen. How many allotments were not raised this year?

Mr. WILLIAMS. About 4 percent.

Mr. JENNINGS. Someone is going out and buy or lease that 4 percent and it is going to be raised. We will have a 4-percent increase to start with. Wouldn't you logically assume that if Joe Williams had not raised his tobacco allotment this year and I had raised it that I would go out and make a contractual agreement with him to raise his allotment?

Mr. MCMILLAN. If the gentleman will yield, in my section of the country it takes skilled labor to handle tobacco and just anybody could not produce or process flue-cured tobacco.

Mr. JENNINGS. That is the whole point. It does just that. For that reason those who have the skilled labor and those who have the barns and facilities and curing and drying and use MH–30, et cetera, will go out and raise this 4 percent tobacco that has not been raised so we will have the 4 percent increase, or let's say 3 percent.

Let's drop a percent of it.

Mr. WILLIAMS. Let me clarify this. There may have been 2 percent that was not grown. I would say that you would have at least 2 percent or half of that where the farmer would be sure it was not going

over. I think you have had thousands of farmers that were one-tenth under their allotment.

Mr. JENNINGS. That was not my question. My question was, How many allotments in total were not grown? I know there are very few of them. I was very surprised to hear the figure was 4 percent. I know some people for one reason or another who have allotments who do not grow them. What percent does that constitute?

Mr. WILLIAMS. It would be a small percent. Most of them who do not grow them put them into the acreage reserve if they did not lease them under the present leasing arrangement.

Mr. JENNINGS. That is over now.

Mr. WILLIAMS. There is a limited program.

Mr. JENNINGS. The conservation reserve is going on. The acreage reserve is out and no one is putting tobacco allotments in the conservation reserve.

Mr. WILLIAMS. And the size of the farms are such that it does not lend itself to that sort of thing.

Mr. JENNINGS. Regardless of the degree it will increase tobacco production by that amount, whatever it happens to be. Certainly someone is going to the ASCA office and check around on various allotments and find out which particular farmers did not grow their allotment and then go to them and say, "Look, you did not grow anything or get anything out of it last year. I will give you $100 or $50 for your allotment." He will bring his average up to 5 acres. As I understand this bill provides that he cannot exceed 5 acres.

Mr. ROONEY. He cannot lease more than 5 acres.

Mr. JENNINGS. But if he has a 5-acre allotment, he may then lease another 5-acre allotment.

Mr. ABBITT. Let's get back to this question I asked the attorney. Can you suggest that language?

Mr. ROONEY. We might put it at the end of paragraph (d) and say that "The lessor shall be considered to have been engaged in the production of tobacco for the purposes of eligibility to vote."

Mr. ABBITT. Where is it?

Mr. ROONEY. I would add that as a sentence at the last in paragraph (d).

Mr. ABBITT. Add it to the last sentence?

Mr. ROONEY. Yes.

Mr. ABBITT. Quote that again, will you?

Mrs. GALLAGHER (reading):

The lessor shall be considered to have been engaged in the production of tobacco for the purpose of eligibility to vote in the referendum.

Mr. STUBBLEFIELD. Is that (d) or (e)?

Mr. ROONEY. (d).

Mr. ABBITT. You are putting in a new sentence?

Mr. ROONEY. I thought we would add it as a new sentence at the end. It is a little hard to fit it in.

Mr. JENNINGS. I wonder if the author would have any objection, or others would have objection to limiting this to a 1-year program for the year 1962? I understood that is what he wanted. That is not what the bill says.

Mr. ABBITT. That is not what he wanted. He just said he would be the first one to see it repealed if it did not work.

Are there any other questions?

Mr. Fitzgerald, I express to you again our appreciation for your coming up here.

Mr. FITZGERALD. Thank you, Mr. Chairman.

Mr. ABBITT. It has been helpful to us.

Mr. Williams, I see you here. Do you have something for the good of the cause?

Mr. WILLIAMS. I am glad to be here, with Mr. Fitzgerald.

Mr. ABBITT. We are always glad to have you here.

Mr. FINDLEY. Could I ask Mr. Fitzgerald one question?

Mr. ABBITT. Yes.

Mr. FINDLEY. On page 2 of your statement you say:

> If lease and transfer is to be permitted we continue to believe the authority should apply indiscriminately and without exception to all commodities which are controlled by acreage allotments and marketing quotas.

Does the Department of Agriculture recommend that the lease, transfer, and sale of allotments and marketing quotas be permitted indiscriminately? It is qualified by "If lease and transfer is to be permitted." Would it be correct to say the Department does recommend the lease, transfer, and sale?

Mr. FITZGERALD. The Department recommends enactment of these bills if it contains these recommendations.

Mr. FINDLEY. That is as far as the Department wishes to go?

Mr. FITZGERALD. Yes, sir.

Mr. WATTS. If Mr. Jennings' idea is to be carried out about restricting it to somebody who already has an allotment, the language ought to be agreed to. I assume it ought not just say, "An allotment for tobacco." It ought to be an allotment for a same type tobacco. He might have dark tobacco, or dark fired.

In other words, the only person who could lease it would be somebody who had the same type tobacco allotment.

Mr. ABBITT. We could put that in (a).

Mr. WATTS. I wanted to see what he thought the language ought to be.

Mr. ROONEY. There are two approaches to it. I do not know whether we are talking about a man who has a farm and wants an allotment and wants to buy another one or whether an allotment can only be put on a farm that already has an allotment.

Mr. WATTS. The last is what we are talking about.

Mr. ROONEY. If that is what we mean then we should say, "for use in such county on a farm having a current tobacco allotment."

Mr. WATTS. A current tobacco allotment of the same type tobacco.

Mr. ABBITT. That would be put in section (a) on page 1, after the first sentence.

Mr. WATTS. What language would you use?

Mr. ROONEY. "For use in such county on a farm having a current tobacco allotment."

Mr. WATTS. "On a farm having a current tobacco allotment."

Mr. ABBITT. "Current tobacco allotment of the same type."

Mr. ROONEY. "Same kind" is better.

Mr. WATTS. That would make it read after the word "county," "on a farm having a current tobacco allotment of the same kind."

Mr. JENNINGS. I guess that is right.

Mr. ABBITT. As I understand it what that means is, if A has a 2-acre allotment of dark fired tobacco and he wants to lease it to B, who has a farm with 1 acre of dark fired tobacco, he could lease it to B to work on his farm. Is that your understanding?

Mr. ROONEY. That is what this language would do.

Mr. ABBITT. We certainly thank you, gentlemen.

I would like to ask the committee now to go into executive session.

(Whereupon, at 11:15 a.m., the committee proceeded in executive session.)

○

87TH CONGRESS
1ST SESSION

H. R. 1022

IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 1961

Mr. MATTHEWS introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend the Agricultural Adjustment Act of 1938 to provide for lease and transfer of tobacco acreage allotments.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Agricultural Adjustment Act of 1938, as amended, is amended by adding after section 315 the following new section:

"SEC. 316. (a) Notwithstanding any other provision of this Act, the owner and operator of any farm for which a tobacco acreage allotment is established may lease any part of such allotment to any other owner or operator of a farm in the same county for use in such county. Such lease and transfer of allotment shall be recognized and

considered valid by the county committee provided the conditions set forth in this section are met.

"(b) Any lease shall be made on such terms and conditions, except as otherwise provided in this section, as the parties thereto agree. No lease shall be entered into for any period in excess of one crop year, but may be renewed from year to year, if the parties so agree.

"(c) The lease and transfer of any allotment shall not be effective until a copy of such lease is filed with and approved by the county committee of the county in which the farms involved are located. If the county committee determines that the farms involved in the lease and transfer are approximately equally productive, the lease and transfer may be approved acre for acre. If the lease and transfer results in acreage allotment for tobacco being placed on a farm which is substantially more productive, such as an irrigated farm as compared with a dry land farm, the county committee shall make a downward adjustment in the amount of acreage allotment transferred so that the production from the transferred acreage will be approximately equal to that which would have been obtained on the farm from which the acreage was leased.

"(d) The lease and transfer of any part of a tobacco acreage allotment determined for a farm shall not affect the allotment for tobacco for the farm from which such

acreage allotment is leased or the farm to which it is transferred, except with respect to the crop year specified in the lease. The amount of acreage allotment which is leased from a farm shall be considered for purposes of determining future allotments to have been devoted to tobacco on such farm: *Provided,* That the acreage so leased and transferred shall not operate to continue the farm's status as an 'old farm'.

"(e) The lease and transfer of allotment acreage under provisions of this section shall not operate to increase the acreage of tobacco on a farm to more than 60 per centum of the cropland on such farm."

87TH CONGRESS
1ST SESSION

H. R. 1022

A BILL

To amend the Agricultural Adjustment Act of 1938 to provide for lease and transfer of tobacco acreage allotments.

By Mr. MATTHEWS

JANUARY 3, 1961
Referred to the Committee on Agriculture

July 25, 1961

5. FOREIGN AID. Sen. Kefauver inserted an article, "Road to Barquijan -- How Iranian Village Awakened With Only a Slight Nudge," and said, "Although the article tells of only one small community and of one small contribution by the United States, it speaks volumes about the value of our assistance to foreign nations when such aid is properly presented." pp. 12391-2

6. WATER RESOURCES. Sen. Case, S. Dak., announced his intention to request the referral of the bill, S. 2246, relating to the planning for water resources development from the Interior and Insular Affairs Committee to the Public Works Committee. p. 12402

7. PUBLIC LANDS. Passed as reported S. 702, to authorize the Secretary of Agriculture to convey a tract of forest land in Wyoming to the town of Afton. pp. 12404-5

Passed without amendment H. R. 2249, to authorize the Secretary of Agriculture to convey a tract of forest land in California to Trinity County. This bill will now be sent to the President. p. 12405

Passed without amendment H. R. 2250, to authorize and direct the Secretary of Agriculture to convey a tract of forest land in Lassen County, Calif., to the city of Susanville. This bill will now be sent to the President. pp. 12405-6

8. LIVESTOCK DISEASES. Passed without amendment S. 860, to grant the Secretary of Agriculture additional authority for protection against the introduction and dissemination of diseases of livestock and poultry. pp. 12406-7

9. MANPOWER RESOURCES. The Labor and Public Welfare Committee voted to report (but did not actually report) with amendments S. 1991, the proposed Manpower Development and Training Act of 1961. p. D609

10. LEGISLATIVE PROGRAM. Sen. Mansfield announced that the Senate will meet at 10:00 a. m. today to conclude consideration of the omnibus farm bill, and that the foreign-aid bill will be taken up on Thurs. or Fri. p. 12389

HOUSE

11. FARM PROGRAM. The Rules Committee reported a resolution for the consideration of H. R. 8230, the omnibus farm bill (pp. 12427-8, 12467). Rep. Cooley presented a brief summary of this bill (pp. 12446-8). Attached to this Digest is a summary of the bill as reported by the Agriculture Committee. This summary is taken from the committee report.

12. APPROPRIATIONS. Conferees were appointed on H. R. 6345, the Department of Interior and related agencies appropriation bill for 1962 (includes the Forest Service). Senate conferees have been appointed. p. 12411

Rep. Halleck objected to the House requesting a conference with the Senate on H. R. 7576, to authorize appropriations for the Atomic Energy Commission. p. 12411

By a vote of 241 to 170, passed with amendment H. R. 8302, making appropriations for military construction for the Department of Defense for 1962. pp. 12412-27

13. TOBACCO. The Subcommittee on Tobacco of the Agriculture Committee voted to report to the full committee with amendments H. R. 1022, to provide for lease and transfer of tobacco acreage allotments. p. D611

14. PAYMENTS. The Judiciary Committee voted to report (but did not actually report) with amendments H. R. 4131, to authorize the waiver of collection of certain erroneous payments made by the Federal Government to certain civilian and military personnel. p. D611

15. PUBLIC LANDS. Received from this Department and the Navy Department a notice of the intention of the two Departments "to interchange jurisdiction of military and national forest lands." p. 12467

Received from Interior a proposed bill "to authorize the Secretary of the Interior to sell to landowners in urban areas the rights of the United States to certain minerals"; to the Interior and Insular Affairs Committee. p. 12467

16. LEGISLATIVE PROGRAM. Rep. McCormack announced that the farm bill will be considered today, Wed. p. 12432

ITEMS IN APPENDIX

17. FOOD STAMPS. Extension of remarks of Rep. Griffiths inserting a progress report on the operation of the food stamp program in Detroit, Mich. p. A5654

18. MARKETING; PERSONNEL. Extension of remarks of Rep. McIntire commending the appointment of Floyd Hedlund as Director of the Fruit and Vegetables Division, AMS, and inserting an article on this subject. p. A5659

19. FEDERAL AID. Extension of remarks of Rep. Westland stating that, "as each year passes there seems to be an acceleration of Federal aid, grants-in-aid, and Federal assistance programs," and inserting an article, "No Problems Now Requiring Expanded Federal Handouts." p. A5662

20. FARM SAFETY. Extension of remarks of Sen. Wiley inserting an article, "National Farm Safety Week A Reminder of Potential Dangers Lurking On Farms." pp. A5663-4

21. FORESTRY. Extension of remarks of Rep. Gathings inserting correspondence with this Department concerning the virulent disease which has threatened the white ash. pp. A5672-3

22. EDUCATION. Extension of remarks of Rep. Hosmer urging support for legislation to extend for two years Federal aid to federally impacted school areas. pp. A5683-4

23. FARM PROGRAM. Extension of remarks of Rep. Anfuso expressing his support for the farm bill, and discussing the importance of agriculture to the American economy and to the city resident. pp. A5687-9

Extension of remarks of Rep. Hoeven criticizing a publication issued by this Department, "Food for a Nation," stating that this Department was established to "'distribute useful information'" and that the "publication holds in low regard the accomplishments of our farm men and women." pp. A5702-3

24. ELECTRIFICATION. Extension of remarks of Rep. Nelsen commending REA programs and inserting an editorial describing the progress which has been made by the Federated Rural Electric Ass'n with headquarters at Jackson, Minn. pp. A5697-8

25. FOREIGN TRADE. Extension of remarks of Rep. Lane inserting testimony presented discussing the effects of imports and exports on American employment. pp. A5706-8

July 31, 1961

9. NATURAL RESOURCES. Sen. Proxmire inserted an article discussing the proposal for development of the natural resources of Wisc., "The Wisconsin Plan," which stated that "A key proposal in the Wisconsin plan is that the State undertake an extensive program for acquiring scenic and other easements." p. 13166

10. FOREIGN AID. Sen. Miller inserted an article critical of the foreign aid program, "The Erratic Course of Foreign Aid." pp. 13168-9

11. LABOR-HEW APPROPRIATION BILL, 1962. This bill, H. R. 7035, was made the unfinished business for consideration today. p. 13165

12. LEGISLATIVE PROGRAM. Sen. Mansfield announced that the foreign aid authorization bill will probably be taken up late Tues. or early Wed. pp. 13149-50

HOUSE

13. LIVESTOCK FEED. Passed as reported S. 2197, to provide that feed owned or controlled by CCC shall be made available at any price not less than 75 percent of the current support price for such feed (or a comparable price if there is no current support price) for assistance in the preservation and maintenance of foundation herds of cattle, sheep, and goats in any area of the U. S. where, because of flood, drought, fire, hurricane, earthquake, storm, disease, insect infestation, or other catastrophe in such areas, the Secretary determines that an emergency exists which warrants such assistance, provided that such feed will be made available only to persons who do not have, and are unable to obtain through normal channels of trade without undue financial hardship, sufficient feed for the livestock. Provisions of the bill as passed by the Senate which would have authorized the Secretary of Agriculture to permit the removal of hay from, or grazing on, conservation reserve lands adjacent to, or near, disaster areas were deleted. p. 13062

14. HOG CHOLERA. The Agriculture Committee voted to report (but did not actually report) H. R. 7176, to provide for a national hog cholera eradication program. p. D639

15. TOBACCO. The Agriculture Committee voted to report (but did not actually report) with amendment H. R. 1022, to provide for the lease and transfer of tobacco acreage allotments. p. D639

16. APPROPRIATIONS. Conferees were appointed on H. R. 7208, the legislative appropriation bill for 1962. Senate conferees have already been appointed. p. 13050

17. PUBLIC LANDS. The Agriculture Committee voted to report (but did not actually report) S. 702, to authorize the Secretary of Agriculture to convey a tract of forest land in Wyoming to the town of Afton; H. R. 4821, to authorize the Secretary of Agriculture to convey a parcel of forest land to the town of Tellico Plains, Tennessee; H. R. 3879, to authorize the Secretary of Agriculture to convey to the State of Wyoming for agricultural purposes the Soil Conservation Service Farson Pilot Farm land in Sweetwater County, Wyoming; H. R. 4882, with amendment, to authorize the Secretary of Agriculture to sell and convey certain tracts of forest lands in Iowa to the State; H. R. 4939, to provide for the conveyance by the Farmers Home Administration of all right, title, and interest of the U. S. in a certain tract of land in Jasper County, Georgia, to the Jasper County Board of Education; and H. R. 6193, to authorize the Secretary of Agriculture to convey a tract of forest land in Wyoming to the county of Fremont, Wyoming. p. D639

18. LAND. The Agriculture Committee voted to report (but did not actually report) H. R. 3920, to authorize an exchange of land at the Agricultural Research Center. p. D639

19. BOTANICAL GARDEN. The Agriculture Committee voted to report (but did not actually report) H. R. 5628, to provide for a study and investigation of the desirability and feasibility of establishing and maintaining the National Tropical Botanical Garden. p. D639

20. SURPLUS COMMODITIES. The Agriculture Committee voted to report (but did not actually report) S. 1873, to permit CCC commodities donated for use in home economics courses to also be used for training college students if the same facilities and instructors are used for training both high school and college students in home ecnomics courses. p. D639

21. SUGAR. Several Representatives discussed the importance of sugar to the national economy and urged enactment of new sugar legislation this session of Congress. pp. 13065-77

22. TARIFFS. Agreed to the conference report on H. R. 6611, to reduce (until July 1, 1963) from $500 to $100 the amount of goods that a returning resident may bring back to this country free of duty. This bill will now be sent to the President. p. 13050

Received from the Secretary of the Treasury a proposed bill "to amend the Tariff Act of 1930 and certain related laws to provide for the restatement of the tariff classification provisions"; to Ways and Means Committee. p. 13096

23. FOREIGN AFFAIRS. The "Daily Digest" states that the Foreign Affairs Committee "Met in executive session, and ordered a clean bill, H. R. 8400, introduced in lieu of H. R. 7372, to promote the foreign policy, security, and general welfare of the U. S. by assisting peoples of the world in their efforts toward economic and social development and internal and external security." pp. D639-40

24. SMALL BUSINESS. Rep. Schwengel advocated a small business extension service, saying, "The Agricultural Extension Service is a fine example of what such an Extension Service can accomplish ... It is my contention that this proven valuable service should be extended to all facets of small business." pp. 13079-80

25. REPORTS. Received from the Government Operations Committee a report "on availability of information from Federal Departments and agencies" (H. Rept. 818). p. 13096

ITEMS IN APPENDIX

26. RIVER BASIN. Extension of remarks of Sen. Magnuson inserting an article, "Basin Project Due For New Impetus," describing what can be achieved through completion of the Columbia River Basin project. pp. A5845-6

27. MANPOWER. Extension of remarks of Sen. Randolph inserting an editorial praising Sen. Clark for his efforts in the advancement of legislation to provide manpower development programs. p. A5848

28. RECREATION. Extension of remarks of Sen. Anderson inserting an article, "Park Plan For Tomorrow: Federal Officials Drafting Long-Range Land-Acquisition Program To Balance U. S. Industrial Expansion." p. A5852-3

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For information only; should not be quoted or cited)

Issued August 2, 1961
For actions of August 1, 1961
87th-1st, No. 130

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HIGHLIGHTS: House committee reported bill for lease and transfer of tobacco acreage allotments. Senate committee voted to report bill to establish Youth Conservation Corps. House committee voted to report foreign aid authorization bill. Sen. Moss urged additional appropriations for FHA water facilities loans. Senate debated Labor-HEW appropriation bill. Sen. Johnston introduced and discussed bill to establish price support program for untied Flue-cured tobacco.

SENATE

1. YOUTH CONSERVATION CORPS. The Labor and Public Welfare Committee voted to report (but did not actually report) with amendments S. 404, to establish a Youth Conservation Corps in the Department of Labor. p. D644

2. LABOR-HEW APPROPRIATION BILL, 1962. Continued debate on this bill, H. R. 7035 (pp. 13204-16, 13219-29, 13232-45). By a vote of 22 to 67, rejected en bloc a group of amendments by Sen. Proxmire which he stated would "reduce every item in the appropriation bill ... back to the budget estimates. This would save approximately $297 million." (pp. 13212-16, 13219-29, 13232-34).

3. DEFENSE DEPARTMENT APPROPRIATION BILL, 1962. The Appropriations Committee reported with amendments this bill, H. R. 7851 (S. Rept. 653). p. 13191

4. WATER FACILITIES LOANS. Sen. Moss urged additional funds for FHA water facilities loans, particularly in Utah, stated that the "amount appropriated for soil

and water conservation loans has gradually decreased each year from $11,500,000 in 1955 to $2 million in 1960, notwithstanding the need and demand for assistance and the accumulation of a backlog of applications for loans," and inserted his letter to President Kennedy stating that he felt it imperative before this session of Congress adjourns "that the amount of the funds available in the fiscal year 1962 for Farmers Home Administration soil and water loans be substantially increased. I hope the administration will send a supplemental budget request to the Congress for this purpose of at least $20 million." pp. 13198-9

5. ELECTRIFICATION. The Commerce Committee voted to report (but did not actually report) S. 1606, to authorize the Federal Power Commission to exempt small hydroelectric projects from certain of the licensing provisions of the Federal Power Act. p. D643

6. FORESTRY. Sen. Stennis discussed the importance of forestry research to the development and maintenance of our forest resources and expressed disappointment that more funds were not included in the Interior and related agencies appropriation bill for 1962 for additional forest research. pp. 13200-01

7. APPROPRIATIONS. The report of the Senate Appropriations Committee on H. R. 7445, the independent offices appropriation bill for 1962, includes the following statement regarding appropriations for the Office of Civil and Defense Mobilization: "The committee recommends $5 million for civil defense and defense mobilization functions of Federal agencies, which is a reduction of $1,567,000 below the House allowance at the 1961 level and $3,700,000 below the budget estimate. The committee believes that many of these delegated functions are not required to be continued indefinitely."

8. FOREIGN TRADE. Sen. Aiken inserted a report on the meeting of the Canada-United States Interparliamentary Group held June 8 and 9, 1961, which included a discussion of trade relations between the two countries and a statement that it was necessary for Canada to export 86 percent of its wheat production. pp. 13194-6

Sen. Javits submitted an amendment intended to be proposed to S. 1729, the proposed Foreign Commerce Act of 1961, which would authorize the use of foreign currencies acquired under Public Law 480 to help finance the costs incurred outside the United States by foreign exhibitors who wish to participate in trade, industrial, agricultural, horticultural, and scientific fairs, expositions, and exhibits in the United States. p. 13250

HOUSE

9. FARM PROGRAM. The "Daily Digest" states that "Conferees met in executive session to resolve the differences between the Senate- and House-passed versions of S. 1643, proposed Agricultural Act of 1961, but did not reach final agreement." p. D646

10. TOBACCO. The Agriculture Committee reported with amendment H. R. 1022, to amend the Agricultural Adjustment Act of 1938 to provide for lease and transfer of tobacco acreage allotments (H. Rept. 826). p. 13306

11. FOREIGN AFFAIRS. The Foreign Affairs Committee voted to report (but did not actually report) H. R. 8400, the foreign aid authorization bill. p. D645

87TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
1st Session } { No. 826

TRANSFER OF TOBACCO ALLOTMENTS

AUGUST 1, 1961.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. COOLEY, from the Committee on Agriculture, submitted the following

REPORT

[To accompany H.R. 1022]

The Committee on Agriculture, to whom was referred the bill (H.R. 1022) to amend the Agricultural Adjustment Act of 1938 to provide for lease and transfer of tobacco acreage allotments having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert:

That the Agricultural Adjustment Act of 1938, as amended, is further amended by adding the following new section:

"SEC. 316. (a) Notwithstanding any other provision of this Act for the crop years 1962 and 1963, the owner and operator of any farm for which a tobacco acreage allotment is established may lease any part of such allotment to any other owner or operator of a farm in the same county for use in such county on a farm having a current tobacco allotment of the same kind. Such lease and transfer of allotment shall be recognized and considered valid by the county committee provided the conditions set forth in this section are met.

"(b) Any lease shall be made on such terms and conditions, except as otherwise provided in this section, as the parties thereto agree. No lease shall be entered into for any period in excess of one crop year, but may be renewed for the 1963 crop year, if the parties so agree.

"(c) The lease and transfer of any allotment shall not be effective until a copy of such lease is filed with and determined by the county committee of the county in which the farms involved are located to be in compliance with the provisions of this section. Such lease and transfer shall not be effective unless a copy of the lease is filed with the county committee prior to a closing date established by the Secretary, which date shall be no later than the normal planting time in the county. If the normal yield established by the county committee for the farm to which the allotment is transferred does not exceed the normal yield established by the county committee for the farm from which the allotment is transferred by more than 10 per centum, the lease and transfer shall be approved acre for acre. If the normal yield for the farm to which the allotment is transferred exceeds the normal yield for the farm from which the allotment is transferred by more than 10 per centum, the county committee shall make a downward adjustment in the

amount of the acreage allotment transferred by multiplying the normal yield established for the farm from which the allotment is transferred by the acreage being transferred and dividing the result by the normal yield established by the farm to which the allotment is transferred.

"(d) The lease and transfer of any part of a tobacco acreage allotment determined for a farm shall not affect the allotment for the farm from which such acreage allotment is transferred or the farm to which it is transferred, except with respect to the crop year specified in the lease. The amount of acreage allotment which is leased from a farm shall be considered for purpose of determining future allotments to have been planted to tobacco on the farm from which such allotment is transferred and the production pursuant to the lease and transfer shall not be taken into account in establishing allotments for subsequent years for the farm to which such allotment is transferred. The lessor shall be considered to have been engaged in the production of tobacco for the purpose of eligibility to vote in the referendum.

"(e) Under the provisions of this section not more than 5 acres of allotment may be leased and transferred to any farm: *Provided,* That the total acreage allotted to any farm after such transfer shall not exceed 50 per centum of the acreage of cropland in the farm.

"(f) The Secretary shall prescribe such regulations as he considers necessary for carrying out the provisions of this section."

PURPOSE

The purpose of this bill is to authorize the transfer by lease—for the crop years 1962 and 1963 only—of tobacco acreage allotments from one farm to another within the same county.

NEED FOR THE LEGISLATION

In many areas tobacco acreage allotments have become so small—thousands of them only a fractional part of an acre—that producers holding such small allotments frequently find that the planting of their allotment in any particular year is an uneconomic operation. This bill will authorize, for 2 crop years only, the holders of such small allotments to transfer their allotment to another tobacco producer in the same county, if they choose to do so. Tobacco experts of the Department of Agriculture estimate that the authorization will be exercised by only about 2 percent of the tobacco growers but the committee believes that for those who will be concerned it will be of substantial assistance in their farming operations.

COST

Other than some slight additional administrative work, there will be no additional cost to the Government as the result of this legislation.

COMMITTEE AMENDMENT

The committee amendment strikes out all after the enacting clause of the original bill and substitutes language which was developed in line with testimony heard by the committee during its hearings. Specifically, the new language embodies most of the safeguards and limitations recommended by the Department of Agriculture in its report and testimony on the bill.

Included in these limitations are: (1) Both farmers involved must be in the same county and the lease must be filed with, and approved by, the county committee. (2) If the normal yield for the farm to which the allotment is being transferred exceeds the normal yield of

the farm from which the transfer is being made by more than 10 percent, the transferred allotment will be adjusted downward in the same ratio as the difference in yields. (3) Not more than 5 acres of allotment may be leased and transferred to any farm. (4) Only farms already having tobacco allotments for the same kind of tobacco are eligible to lease allotments. (5) The acreage is considered as having been produced on the farm from which the allotment is transferred for purposes of future allotments and referendum voting rights. (6) The bill applies only to the 1962 and 1963 crops.

DEPARTMENTAL POSITION

As set out in the following report from the Department of Agriculture on H.R. 1022, the Department took the position that it was not opposed to the proposed legislation, particularly if amended in accordance with the Department's recommendations in its report (as has been done) but suggested that the bill should go further and should be made to apply to all allotted commodities and to permit transfers for a longer period of years or their outright sale. Following is the letter from the Department on this bill:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, June 22, 1961.

Hon. HAROLD D. COOLEY,
Chairman, Committee on Agriculture,
House of Representatives.

DEAR CONGRESSMAN COOLEY: This is in reply to your request of March 14, 1961, for a report on H.R. 1022, a bill to amend the Agricultural Adjustment Act of 1938 to provide for lease and transfer of tobacco acreage allotments.

The bill provides that the owner and operator of any farm for which a tobacco acreage allotment is established may lease and transfer, on an annual basis, any part of such allotment to any other owner or operator of a farm in the same county.

This Department would favor the enactment of the bill if it were amended as hereinafter suggested.

The Department favors the transferability of allotments and quotas for tobacco and other commodities under conditions which will protect and enhance the position of family farmers.

Transferability of allotments will reduce the production costs and improve the income of small producers who desire to continue to produce by permitting them to acquire additional allotments without the heavy costs involved in buying additional land. It will make it easier for those who do not wish to continue the production of the affected commodity to transfer their resources into some other enterprise.

The Department believes that the sale of allotments, or their leasing for a period of years, would be preferable to leasing on a year-to-year basis. The permanent transfer of allotments would make a more substantial contribution toward establishing stable family sized economic units of production, which will, in turn, result in more efficient production. In addition, the administrative expense and difficulties would be substantially less than handling transfers on an annual

basis. The Department, therefore, believes that H.R. 1022 should be amended to permit permanent transfers and leases for a period of years as well as transfers on an annual basis.

Further, the Department would prefer legislation applicable to all marketing quota commodities which would permit such transfers of allotments, subject to appropriate limitations and regulations. There is no reason for discriminating against the producers of any of these commodities in this regard.

Certain safeguards should be established, either in the legislation or by regulations thereunder, applicable to any transfers whether permanent or temporary. These include—

(1) Adjustments of allotments and history acreage when transfers are made to farms which have a substantially higher yield per acre;

(2) Reasonable limits on the size of the resulting allotments on farms to which transfers are made both in terms of number of acres and in relation to the cropland on the farm;

(3) Appropriate adjustments in crediting of allotments and acreage histories for the farms from which and the farms to which transfers are made;

(4) Appropriate restrictions on the establishment of new allotments, and appropriate changes in minimum acreage provisions, for farms from which allotments are transferred;

(5) Administrative provisions to assure that transfers will be made in an orderly manner and adequate records kept; and

(6) Appropriate restrictions upon the geographical limits within which transfers may be made.

This Department will be glad to assist your committee in drafting appropriate amendments to accomplish the changes suggested herein.

The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

ORVILLE L. FREEMAN,
Secretary.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

AGRICULTURAL ADJUSTMENT ACT OF 1938, AS AMENDED

* * * * * * *

SEC. 316. (a) Notwithstanding any other provision of this Act, the owner and operator of any farm for which a tobacco acreage allotment is established may lease any part of such allotment to any other owner or operator of a farm in the same county for use in such county. Such lease and transfer of allotment shall be recognized and considered valid by the county committee provided the conditions set forth in this section are met.

(b) Any lease shall be made on such terms and conditions, except as otherwise provided in this section, as the parties thereto agree. No lease shall be entered into for any period in excess of one crop year, but may be renewed from year to year, if the parties so agree.

(c) The lease and transfer of any allotment shall not be effective until a copy of such lease is filed with and approved by the county committee of the county in which the farms involved are located. If the county committee determines that the farms involved in the lease and transfer are approximately equally productive, the lease and transfer may be approved acre for acre. If the lease and transfer results in acreage allotment for tobacco being placed on a farm which is substantially more productive, such as an irrigated farm as compared with a dry land farm, the county committee shall make a downward adjustment in the amount of acreage allotment transferred so that the production from the transferred acreage will be approximately equal to that which would have been obtained on the farm from which the acreage was leased.

(d) The lease and transfer of any part of a tobacco acreage allotment determined for a farm shall not affect the allotment for tobacco for the farm from which such acreage allotment is leased or the farm to which it is transferred, except with respect to the crop year specified in the lease. The amount of acreage allotment which is leased from a farm shall be considered for purposes of determining future allotments to have been devoted to tobacco on such farm: Provided, That the acreage so leased and transferred shall not operate to continue the farm's status as an "old farm".

(e) The lease and transfer of allotment acreage under provisions of this section shall not operate to increase the acreage of tobacco on a farm to more than 60 per centum of the cropland on such farm.

OPPOSING VIEWS OF PAUL FINDLEY

H.R. 1022 will tend to stimulate tobacco overproduction through consolidation of small inefficient units, and this will probably require further acreage cutbacks.

Loans to tobacco growers are often based on the real estate value of their tobacco allotments. Allotments sometimes add as much as $2,500 an acre to the land value. If such an allotment is separated from a particular parcel of land by lease agreement, the landowner's credit will probably be impaired.

Long-range consequences of this bill involve every farmer in America.

This bill is another step, small and innocent though it may seem, down the road to regimentation of American agriculture.

The end of the road is Government control of farm production through licensing the right to produce. We have already traveled far enough down the road to wonder if it has any places to turn around.

In tobacco, the first step was to control production through acreage allotments. As yields increased, acreage was cut back to the dismay of both the tobacco growers in the South and the corn producers in the Midwest. Tobacco growers were dismayed when they found their allotments dwindling to "shoebox" size. Corn producers were dismayed when they saw acreage formerly used for tobacco production now planted in feed grains. (This can be described as exporting the tobacco problem to the Midwest.)

As tobacco growers witnessed the fragmentation of allotments through controlled cutbacks, they began to seek the right to consolidate the fragments. Hence H.R. 1022, with authority to transfer or lease allotments.

This bill does not authorize sale of allotments, but let no one be fooled. Sale is the next step, and it will follow H.R. 1022 as surely as night follows day. Leasehold interest is much akin to outright ownership of property. A few years of repeated leasing, and the plea for authority to sell will be irresistable.

Indeed an administration spokesman, testifying before the tobacco subcommittee, asked that this bill be amended to grant immediate authority to sell allotments. In a message to Congress earlier this year, the administration asked that authority to sell allotments be extended to all commodities. The crystal ball is not hard to read.

The law which originally authorized tobacco allotments was once considered a strange departure from the American tradition of freedom of choice agriculture. Now it is accepted.

Today the proposal to license the right to produce seems strange and offensive. And yet, in H.R. 1022, we are on the threshold of such a system. Buying and selling the right to produce is just a hop and a skip from the license program.

Those who loudly declare, "We won't let it happen here," should wipe the dust from their eyes and see how far we have already progressed down the road to regimentation.

H.R. 1022 is another step, so brace yourself. At various milestones we will find ourselves licensing the right to produce tobacco, cotton, wheat, corn, soybeans, and livestock.

○

Union Calendar No. 320

87TH CONGRESS
1ST SESSION

H. R. 1022

[Report No. 826]

IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 1961

Mr. MATTHEWS introduced the following bill; which was referred to the Committee on Agriculture

AUGUST 1, 1961

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To amend the Agricultural Adjustment Act of 1938 to provide for lease and transfer of tobacco acreage allotments.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, ~~That the Agricultural Adjustment Act of 1938, as amended, is amended by adding after section 315 the following new section:~~

~~"SEC. 316. (a) Notwithstanding any other provision of this Act, the owner and operator of any farm for which a tobacco acreage allotment is established may lease any part of such allotment to any other owner or operator of a farm in the same county for use in such county. Such lease and transfer of allotment shall be recognized and~~

considered valid by the county committee provided the conditions set forth in this section are met.

"(b) Any lease shall be made on such terms and conditions, except as otherwise provided in this section, as the parties thereto agree. No lease shall be entered into for any period in excess of one crop year, but may be renewed from year to year, if the parties so agree.

"(c) The lease and transfer of any allotment shall not be effective until a copy of such lease is filed with and approved by the county committee of the county in which the farms involved are located. If the county committee determines that the farms involved in the lease and transfer are approximately equally productive, the lease and transfer may be approved acre for acre. If the lease and transfer results in acreage allotment for tobacco being placed on a farm which is substantially more productive, such as an irrigated farm as compared with a dry land farm, the county committee shall make a downward adjustment in the amount of acreage allotment transferred so that the production from the transferred acreage will be approximately equal to that which would have been obtained on the farm from which the acreage was leased.

"(d) The lease and transfer of any part of a tobacco acreage allotment determined for a farm shall not affect the allotment for tobacco for the farm from which such

~~acreage allotment is leased or the farm to which it is transferred, except with respect to the crop year specified in the lease. The amount of acreage allotment which is leased from a farm shall be considered for purposes of determining future allotments to have been devoted to tobacco on such farm: *Provided,* That the acreage so leased and transferred shall not operate to continue the farm's status as an 'old farm'.~~

~~"(c) The lease and transfer of allotment acreage under provisions of this section shall not operate to increase the acreage of tobacco on a farm to more than 60 per centum of the cropland on such farm."~~

That the Agricultural Adjustment Act of 1938, as amended, is further amended by adding the following new section:

"SEC. 316. (a) Notwithstanding any other provision of this Act for the crop years 1962 and 1963, the owner and operator of any farm for which a tobacco acreage allotment is established may lease any part of such allotment to any other owner or operator of a farm in the same county for use in such county on a farm having a current tobacco allotment of the same kind. Such lease and transfer of allotment shall be recognized and considered valid by the county committee provided the conditions set forth in this section are met.

"(b) Any lease shall be made on such terms and conditions, except as otherwise provided in this section, as the

parties thereto agree. No lease shall be entered into for any period in excess of one crop year, but may be renewed for the 1963 crop year, if the parties so agree.

"(c) The lease and transfer of any allotment shall not be effective until a copy of such lease is filed with and determined by the county committee of the county in which the farms involved are located to be in compliance with the provisions of this section. Such lease and transfer shall not be effective unless a copy of the lease is filed with the county committee prior to a closing date established by the Secretary, which date shall be no later than the normal planting time in the county. If the normal yield established by the county committee for the farm to which the allotment is transferred does not exceed the normal yield established by the county committee for the farm from which the allotment is transferred by more than 10 per centum, the lease and transfer shall be approved acre for acre. If the normal yield for the farm to which the allotment is transferred exceeds the normal yield for the farm from which the allotment is transferred by more than 10 per centum, the county committee shall make a downward adjustment in the amount of the acreage allotment transferred by multiplying the normal yield established for the farm from which the allotment is transferred by the acreage being transferred and dividing the result by the normal yield established by the farm to which the allotment is transferred.

"(d) The lease and transfer of any part of a tobacco acreage allotment determined for a farm shall not affect the allotment for the farm from which such acreage allotment is transferred or the farm to which it is transferred, except with respect to the crop year specified in the lease. The amount of acreage allotment which is leased from a farm shall be considered for purpose of determining future allotments to have been planted to tobacco on the farm from which such allotment is transferred and the production pursuant to the lease and transfer shall not be taken into account in establishing allotments for subsequent years for the farm to which such allotment is transferred. The lessor shall be considered to have been engaged in the production of tobacco for the purpose of eligibility to vote in the referendum.

"(e) Under the provisions of this section not more than five acres of allotment may be leased and transferred to any farm: Provided, That the total acreage allotted to any farm after such transfer shall not exceed 50 per centum of the acreage of cropland in the farm.

"(f) The Secretary shall prescribe such regulations as he considers necessary for carrying out the provisions of this section."

Union Calendar No. 320

87TH CONGRESS
1ST SESSION

H. R. 1022

[Report No. 826]

A BILL

To amend the Agricultural Adjustment Act of 1938 to provide for lease and transfer of tobacco acreage allotments.

By Mr. MATTHEWS

JANUARY 3, 1961
Referred to the Committee on Agriculture

AUGUST 1, 1961
Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For information only; should not be quoted or cited)

Issued August 8, 1961
For actions of August 7, 1961
87th-1st, No. 134

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HIGHLIGHTS: House passed bills to: Provide for lease and transfer of tobacco acreage allotments. Authorize use of CCC surplus grain for feeding wildlife. Authorize annual appropriations to reimburse CCC for net realized losses. House committee reported (Aug. 4) foreign aid authorization bill. House subcommittee voted to report bill to continue exemption of durum wheat in Tulelake area, Calif., from allotments and quotas. Both Houses agreed to conference report on independent offices appropriation bill. Sen. Bartlett urged additional funds for forest research. Rep. McIntire introduced and discussed forestry research program bill. President approved farm bill today, Aug. 8.

HOUSE

1. TOBACCO. Passed as reported H. R. 1022, to provide for lease and transfer of tobacco acreage allotments. This bill includes the following limitations: (1) Both farmers involved must be in the same county and the lease must be filed with, and approved by, the county committee. (2) If the normal yield for the farm to which the allotment is being transferred exceeds the normal yield of the farm from which the transfer is being made by more than 10 percent, the transferred allotment will be adjusted downward in the same ratio as the difference in yields. (3) Not more than 5 acres of allotment may be leased and transferred to any farm. (4) Only farms already having tobacco allotments for the same kind of tobacco are elibile to lease allotments. (5) The acreage is considered as having been produced on the farm from which the allotment is transferred for purposes of future allotments and referendum voting rights. pp. 13719-20

2. PEANUTS. Passed as reported H. R. 1021, to extend for 2 years the definition of "peanuts" which is now in effect under the Agricultural Adjustment Act of 1938 so as to exclude from acreage allotments and marketing quotas any peanuts produced and marketed for consumption as boiled peanuts. p. 13706

3. CCC APPRAISALS. Passed without amendment S. 763, to authorize annual appropriations to reimburse CCC for net realized losses sustained during any fiscal year in lieu of annual appropriations to restore capital impairment based on annual Treasury appraisals, and to provide for the amount of net gain or loss realized by CCC to be determined from the Corporation's financial statement as of the end of each fiscal year instead of requiring the Secretary of the Treasury to make an annual independent appraisal of the Corporation's assets and liabilities for the purpose of determining the net worth of the Corporation. This bill will now be sent to the President. p. 13721

4. SURPLUS GRAIN; WILDLIFE. Passed without amendment S. 614, to authorize the use of Commodity Credit Corporation owned surplus grains by the States for emergency use in the feeding of resident game birds and other resident wildlife. This bill will now be sent to the President. p. 13710

5. APPROPRIATIONS. Conferees were appointed on H. R. 7851, the Defense Department appropriation bill. Senate conferees have already been appointed. p. 13694

6. PUBLIC LANDS. Passed as reported H. R. 2925, to amend the act of March 8, 1922, so as to permit the sales of certain isolated tracts of public lands in Alaska. p. 13711

7. VIRGIN ISLANDS. Passed without amendment H. R. 7666, pertaining to the salary of the government comptroller of the Virgin Islands. p. 13707

8. LIBRARIES. At the request of Rep. Pelly, passed over without prejudice H. R. 8141, to revise the laws relating to depository libraries. p. 13716

9. ETHICS. Passed as reported H. R. 8140, to strengthen the criminal laws relating to bribery, graft, and conflicts of interest. pp. 13737-45

10. FOREIGN AID. The Foreign Affairs Committee reported without amendment (on Aug. 4) H. R. 8400, the foreign aid authorization bill (H. Rept. 851). p. 13772
Rep. Brademas inserted a letter signed by 30 representatives supporting H. R. 8400, the foreign aid authorization bill. p. 13749

11. PERSONNEL. The Post Office and Civil Service Committee reported without amendment H. R. 7021, to revise legislation authorizing Government agencies to provide quarters, household furniture and equipment, utilities, subsistence, and laundry service to civilian officers and employees of the U. S. (H. Rept. 856), and H. R. 1010, to provide for at least a two-step increase when an employee is promoted from one grade to another (H. Rept. 859). p. 13772

12. WHEAT. The Subcommittee on Wheat of the Agriculture Committee voted to report to the full committee with amendments S. 1107, to provide for an extension of the existing provision for a minimum durum wheat acreage allotment in the Tulelake area of California. p. D673

13. FORESTRY. The Interstate and Foreign Commerce Committee submitted a report, "World Newsprint Supply--Demand Outlook Through 1963" (H. Rept. 854). p. 13772

one to be vice chairman, of the board of directors of such bank.

"(h) If at any time when nominations are required members shall hold less than $1,000,000 of the capital stock of the Federal home loan bank, the Board shall appoint a director or directors to fill the place or places for which such nominations are required, and the Board may, prior to the filing of the certificate mentioned in section 12, appoint directors who shall be respectively designated by it as appointive directors and as elective directors, in accordance with the provisions of this section."

SEC. 2. The amendment made by this Act shall take effect on the first day of the first calendar year which begins after the date of enactment of this Act.

With the following committee amendments:

Page 5, lines 23 and 24, insert "effective" before "date", and strike out "of the enactment".

Page 6, lines 6 to 12, inclusive, strike out "extend any such term of an" and insert "shorten the next succeeding term of any such"; and strike out "for not to exceed one year from such original date of expiration, but such term shall in such event be deemed to become vacant at the close of such original date of expiration, if it shall not sooner be or become vacant" and insert "to one year, and may fill such term by appointment".

Page 7, line 13, strike out "first" where it first appears in such line and insert "second".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRANSFER OF TOBACCO ALLOTMENTS

The Clerk called the bill (H.R. 1022) to amend the Agricultural Adjustment Act of 1938 to provide for lease and transfer of tobacco acreage allotments.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. FINDLEY. Reserving the right to object, Mr. Speaker, H.R. 1022 will tend to stimulate tobacco overproduction through consolidation of small inefficient units, and this will probably require further acreage cutbacks.

Loans to tobacco growers are often based on the real estate value of their tobacco allotments. Allotments sometimes add as much as $2,500 an acre to the land value. If such an allotment is separated from a particular parcel of land by lease agreement, the landowner's credit will probably be impaired.

Long-range consequences of this bill involve every farmer in America.

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The end of the road is Government control of farm production through licensing the right to produce. We have already traveled far enough down the road to wonder if it has any places to turn around.

In tobacco, the first step was to control production through acreage allotments. As yields increased, acreage was cut back to the dismay of both the tobacco growers in the South and the corn producers in the Midwest. Tobacco growers were dismayed when they found their allotments dwindling to "shoebox" size. Corn producers were dismayed when they saw acreage formerly used for tobacco production now planted in feed grains. (This can be described as exporting the tobacco problem to the Midwest.)

As tobacco growers witnessed the fragmentation of allotments through controlled cutbacks, they began to seek the right to consolidate the fragments. Hence H.R. 1022, with authority to transfer or lease allotments.

This bill does not authorize sale of allotments, but let no one be fooled. Sale is the next step, and it will follow H.R. 1022 as surely as night follows day. Leasehold interest is much akin to outright ownership of property. A few years of repeated leasing, and the plea for authority to sell will be irresistible.

Indeed an administration spokesman, testifying before the tobacco subcommittee, asked that this bill be amended to grant immediate authority to sell allotments. In a message to Congress earlier this year, the administration asked that authority to sell allotments be extended to all commodities. The crystal ball is not hard to read.

The law which originally authorized tobacco allotments was once considered a strange departure from the American tradition of freedom of choice agriculture. Now it is accepted.

Today the proposal to license the right to produce seems strange and offensive. And yet, in H.R. 1022, we are on the threshold of such a system. Buying and selling the right to produce is just a hop and a skip from the license program.

Those who loudly declare, "We won't let it happen here," should wipe the dust from their eyes and see how far we have already progressed down the road to regimentation.

H.R. 1022 is another step, so brace yourself. At various milestones we will find ourselves licensing the right to produce tobacco, cotton, wheat, corn, soybeans, and livestock.

Mr. Speaker, I shall not persist in my objection to this bill, and withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Agricultural Adjustment Act of 1938, as amended, is amended by adding after section 315 the following new section:

"SEC. 316. (a) Notwithstanding any other provision of this Act, the owner and operator of any farm for which a tobacco acreage allotment is established may lease any part of such allotment to any other owner or operator of a farm in the same county for use in such county. Such lease and transfer of allotment shall be recognized and considered valid by the county committee provided the conditions set forth in this section are met.

"(b) Any lease shall be made on such terms and conditions, except as otherwise provided in this section, as the parties thereto agree. No lease shall be entered into for any period in excess of one crop year, but may be renewed from year to year, if the parties so agree.

"(c) The lease and transfer of any allotment shall not be effective until a copy of such lease is filed with and approved by the county committee of the county in which the farms involved are located. If the county committee determines that the farms involved in the lease and transfer are approximately equally productive, the lease and transfer may be approved acre for acre. If the lease and transfer results in acreage allotment for tobacco being placed on a farm which is substantially more productive, such as an irrigated farm as compared with a dry land farm, the county committee shall make a downward adjustment in the amount of acreage allotment transferred so that the production from the transferred acreage will be approximately equal to that which would have been obtained on the farm from which the acreage was leased.

"(d) The lease and transfer of any part of a tobacco acreage allotment determined for a farm shall not affect the allotment for tobacco for the farm from which such acreage allotment is leased or the farm to which it is transferred, except with respect to the crop year specified in the lease. The amount of acreage allotment which is leased from a farm shall be considered for purposes of determining future allotments to have been devoted to tobacco on such farm: *Provided,* That the acreage so leased and transferred shall not operate to continue the farm's status as an 'old farm'.

"(e) The lease and transfer of allotment acreage under provisions of this section shall not operate to increase the acreage of tobacco on a farm to more than 60 per centum of the cropland on such farm."

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That the Agricultural Adjustment Act of 1938, as amended, is further amended by adding the following new section:

" 'SEC. 316. (a) Notwithstanding any other provision of this Act for the crop years 1962 and 1963, the owner and operator of any farm for which a tobacco acreage allotment is established may lease any part of such allotment to any other owner or operator of a farm in the same county for use in such county on a farm having a current tobacco allotment of the same kind. Such lease and transfer of allotment shall be recognized and considered valid by the county committee provided the conditions set forth in this section are met.

" '(b) Any lease shall be made on such terms and conditions, except as otherwise provided in this section, as the parties thereto agree. No lease shall be entered into for any period in excess of one crop year, but may be renewed for the 1963 crop year, if the parties so agree.

" '(c) The lease and transfer of any allotment shall not be effective until a copy of such lease is filed with and determined by the county committee of the county in which the farms involved are located to be in compliance with the provisions of this section. Such lease and transfer shall not be effective unless a copy of the lease is filed with the county committee prior to a closing date established by the Secretary, which date shall be no later than the normal planting time in the county. If the normal yield established by the county committee for the farm to which the allotment is transferred does not exceed the normal yield established by the county committee for the farm from which the allotment is transferred by more than 10 per centum, the lease

and transfer shall be approved acre for acre. If the normal yield for the farm to which the allotment is transferred exceeds the normal yield for the farm from which the allotment is transferred by more than 10 per centum, the county committee shall make a downward adjustment in the amount of the acreage allotment transferred by multiplying the normal yield established for the farm from which the allotment is transferred by the acreage being transferred and dividing the result by the normal yield established by the farm to which the allotment is transferred.

"'(d) The lease and transfer of any part of a tobacco acreage allotment determined for a farm shall not affect the allotment for the farm from which such acreage allotment is transferred or the farm to which it is transferred, except with respect to the crop year specified in the lease. The amount of acreage allotment which is leased from a farm shall be considered for purpose of determining future allotments to have been planted to tobacco on the farm from which such allotment is transferred and the production pursuant to the lease and transfer shall not be taken into account in establishing allotments for subsequent years for the farm to which such allotment is transferred. The lessor shall be considered to have been engaged in the production of tobacco for the purpose of eligibility to vote in the referendum.

"'(e) Under the provisions of this section not more than five acres of allotment may be leased and transferred to any farm: *Provided,* That the total acreage allotted to any farm after such transfer shall not exceed 50 per centum of the acreage of cropland in the farm.

"'(f) The Secretary shall prescribe such regulations as he considers necessary for carrying out the provisions of this section.'"

Mr. MATTHEWS. Mr. Speaker, I want to thank the chairman and the members of our House Committee on Agriculture for reporting favorably my bill, H.R. 1022, to provide for lease and transfer of tobacco acreage allotments.

The purpose of this bill is to authorize the transfer by lease—for the crop years 1962 and 1963 only—of tobacco acreage allotments from one farm to another within the same county.

In many areas, especially in my Eighth District of Florida, tobacco acreage allotments have become so small—thousands of them only a fractional part of an acre—that producers holding such small allotments frequently find that the planting of their allotment in any particular year is an uneconomic operation. This bill will authorize, for 2 crop years only, the holders of such small allotments to transfer their allotment to another tobacco producer in the same county, if they choose to do so. Tobacco experts of the Department of Agriculture estimate that the authorization will be exercised by only about 2 percent of the tobacco growers, but I believe that for those who will be concerned it will be of substantial assistance in their farming operations. Other than some slight additional administrative work, there will be no additional cost to the Government as a result of this legislation.

I have been interested in this bill for about 5 years. Two years ago the Subcommittee on Tobacco of our House Committee on Agriculture honored me by holding meetings in my district at Live Oak, Fla., to talk about the provisions of the bill. Among the several hundred farmers present, there was almost unanimous approval of the main features of this bill. After hearings on the measure this year, our Committee on Agriculture embodied safeguards and limitations recommended not only by the Department of Agriculture but by tobacco producers and others interested in the welfare of the tobacco industry. Included in these limitations are:

First. Both farmers involved must be in the same county and the lease must be filed with, and approved by, the county committee.

Second. If the normal yield for the farm to which the allotment is being transferred exceeds the normal yield of the farm from which the transfer is being made by more than 10 percent, the transferred allotment will be adjusted downward in the same ratio as the difference in yields.

Third. Not more than 5 acres of allotment may be leased and transferred to any farm.

Fourth. Only farms already having tobacco allotments for the same kind of tobacco are eligible to lease allotments.

Fifth. The acreage is considered as having been produced on the farm from which the allotment is transferred for purposes of future allotments and referendum voting rights.

Sixth. The bill applies only to the 1962 and 1963 crops. We included the last provision in the bill so that if the lease and transfer arrangements prove detrimental to the tobacco program we can halt this new program after the 1963 year.

The Department of Agriculture was not opposed to this legislation, but felt that we should go further specially by extending its provisions to other crops and by making provisions for the sale of allotments.

I personally feel that this more moderate approach is better, and I am particularly hopeful that it will be beneficial to the small producer. I feel that there will be many small producers who, if this legislation is passed, will be able, by leasing a small tobacco acreage allotment, obtain a unit of production large enough to make an economical and profitable operation possible. I surely hope the House will pass by an overwhelming vote this important piece of legislation.

Mr. KORNEGAY. Mr. Speaker, I take this opportunity to rise and state my support of and urge the passage of H.R. 1022. This bill authorizes the holders of small tobacco allotments to lease or transfer their allotment to another tobacco grower in the same county. The provisions of this bill relate only to the crop years of 1962 and 1963. Thus by limiting the duration of this measure to 2 years, an opportunity will be afforded to the small tobacco growers of this country and to Congress to determine the effectiveness of the program.

In my opinion there is a great need for this type of legislation in my district and in my State. The State of North Carolina is reputed to have a larger number of farms than any other State in the Union; therefore, a large number of them must of necessity be small. Many of these small farms have tobacco allotments but in so many instances the size of the allotment has diminished to the point that it is not economical for the individual farmer to utilize his allotment. By allowing the lease or transfer of these small allotments it will be possible for a single farmer to increase the size of his acreage sufficiently to make it economically practical to remain in the business of growing tobacco. Also, I would like to point out that under the terms of this bill, the transfer or lease of tobacco allotments must be made within the county and therefore eliminating any trend to consolidate extremely large acreage in certain counties to the exclusion of others.

Mr. Speaker, this is an adjustment under the Agricultural Adjustment Act of 1938 which is long overdue and which I feel is of tremendous importance to the tobacco growers of my State and district and I want to urge the support of this measure upon my colleagues in the House.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

(Mr. FINDLEY asked and was given permission to revise and extend his remarks.)

FUGITIVE FELON ACT

The Clerk called the bill (H.R. 468) to amend section 1073 of title 18, United States Code, the Fugitive Felon Act.

Mr. CELLER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMITTING DOCUMENTATION OF VESSELS SOLD OR TRANSFERRED ABROAD

The Clerk called the bill (S. 881) to revise section 4166 of the Revised Statutes (46 U.S.C. 35) to permit documentation of vessels sold or transferred abroad.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4166 of the Revised Statutes (U.S.C., 1958 edition, title 46, sec. 35) is amended to read as follows:

"A vessel of the United States which, while outside the limits of a customs collection district of the United States and not in any port designated as a port of documentation outside any such customs collection district, is sold or transferred in whole or in part to a citizen of the United States, may be documented anew as a vessel of the United States in such manner and upon such conditions as may be prescribed by the Secretary of the Treasury: *Provided,* That, if any vessel so sold or transferred is not redocumented while abroad, it shall nevertheless be entitled to all the privileges and benefits of a vessel of the United States up to and for the purpose of its first arrival thereafter within a customs collection district or within a designated port of docu-

87TH CONGRESS
1ST SESSION

H. R. 1022

IN THE SENATE OF THE UNITED STATES

AUGUST 8, 1961

Read twice and referred to the Committee on Agriculture and Forestry

AN ACT

To amend the Agricultural Adjustment Act of 1938 to provide for lease and transfer of tobacco acreage allotments.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Agricultural Adjustment Act of 1938, as amended, is further amended by adding the following new section:

"SEC. 316. (a) Notwithstanding any other provision of this Act for the crop years 1962 and 1963, the owner and operator of any farm for which a tobacco acreage allotment is established may lease any part of such allotment to any other owner or operator of a farm in the same county for use in such county on a farm having a current tobacco allotment of the same kind. Such lease and transfer of allotment shall

be recognized and considered valid by the county committee provided the conditions set forth in this section are met.

"(b) Any lease shall be made on such terms and conditions, except as otherwise provided in this section, as the parties thereto agree. No lease shall be entered into for any period in excess of one crop year, but may be renewed for the 1963 crop year, if the parties so agree.

"(c) The lease and transfer of any allotment shall not be effective until a copy of such lease is filed with and determined by the county committee of the county in which the farms involved are located to be in compliance with the provisions of this section. Such lease and transfer shall not be effective unless a copy of the lease is filed with the county committee prior to a closing date established by the Secretary, which date shall be no later than the normal planting time in the county. If the normal yield established by the county committee for the farm to which the allotment is transferred does not exceed the normal yield established by the county committee for the farm from which the allotment is transferred by more than 10 per centum, the lease and transfer shall be approved acre for acre. If the normal yield for the farm to which the allotment is transferred exceeds the normal yield for the farm from which the allotment is transferred by more than 10 per centum, the county committee shall make a downward adjustment in the amount of the acreage allotment

transferred by multiplying the normal yield established for the farm from which the allotment is transferred by the acreage being transferred and dividing the result by the normal yield established by the farm to which the allotment is transferred.

"(d) The lease and transfer of any part of a tobacco acreage allotment determined for a farm shall not affect the allotment for the farm from which such acreage allotment is transferred or the farm to which it is transferred, except with respect to the crop year specified in the lease. The amount of acreage allotment which is leased from a farm shall be considered for purpose of determining future allotments to have been planted to tobacco on the farm from which such allotment is transferred and the production pursuant to the lease and transfer shall not be taken into account in establishing allotments for subsequent years for the farm to which such allotment is transferred. The lessor shall be considered to have been engaged in the production of tobacco for the purpose of eligibility to vote in the referendum.

"(e) Under the provisions of this section not more than five acres of allotment may be leased and transferred to any farm: *Provided,* That the total acreage allotted to any farm after such transfer shall not exceed 50 per centum of the acreage of cropland in the farm.

"(f) The Secretary shall prescribe such regulations as he considers necessary for carrying out the provisions of this section."

Passed the House of Representatives August 7, 1961.

Attest: RALPH R. ROBERTS,

Clerk.

87TH CONGRESS
1ST SESSION

H. R. 1022

AN ACT

To amend the Agricultural Adjustment Act of 1938 to provide for lease and transfer of tobacco acreage allotments.

AUGUST 8, 1961

Read twice and referred to the Committee on Agriculture and Forestry

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OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

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HIGHLIGHTS: Senate debated foreign aid authorization bill. House debated foreign aid authorization bill. Senate subcommittee tentatively approved bill for transfer of tobacco acreage allotments. Both Houses agreed to conference report on Treasury-Post Office appropriation bill. House committee reported bill to extend saline water conversion program.

HOUSE

1. APPROPRIATIONS. Both Houses agreed to the conference report on H. R. 5954, the Treasury-Post Office appropriation bill for 1962. This bill will now be sent to the President. pp. 14736-7, 14839-41

   Rep. Laird inserted letters from the President and HEW Secretary Ribicoff in connection with his objection to sending H. R. 7035, the Labor-Health, Education, and Welfare appropriation bill, to conference. pp. 14800-2

2. FOREIGN AID. Continued debate on H. R. 8400, the foreign aid authorization bill. pp. 14737-80, 14789-93, 14798-800

3. SALINE WATER. The Interior and Insular Affairs Committee reported with amendments H. R. 7916, to expand and extend the saline water conversion program being conducted by the Secretary of the Interior (H. Rept. 908). p. 14803

4. CIVIL DEFENSE. The Armed Services Committee reported without amendment H. R. 8383, to amend the Federal Civil Defense Act of 1950 to ratify retroactive financial contributions made to States (H. Rept. 924), and H. R. 8406, to change

the name of the Office of Civil and Defense Mobilization to the Office of Emergency Planning (H. Rept. 926). p. 14804

5. TRANSPORTATION The Merchant Marine and Fisheries Committee reported with amendment H. R. 6732, to amend the Merchant Marine Act, 1936, to encourage the construction and maintenance of American-flag vessels built in American shipyards (H. Rept. 922). p. 14804

6. BOTANIC GARDEN. The Agriculture Committee reported without amendment H. R. 5628, to provide for a study and investigation of the desirability and feasibility of establishing and maintaining a National Tropical Botanic Garden (H. Rept. 940). p. 14804

7. EASEMENTS. The Public Works Committee voted to report (but did not actually report) with amendments H. R. 8355, to authorize executive agencies to grant easements in, over, or upon real property of the U. S. under the control of such agencies. p. D713

SENATE

8. PERISHABLE COMMODITIES; PEANUTS. The Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices of the Agriculture Committee voted to report to the full committee S. 1037, with amendment, to amend the Perishable Agricultural Commodities Act regarding fees, oral hearings, and relicensing of persons under the Act, and H. R. 1021, to extend for 2 years the definition of peanuts which is now in effect under the Agricultural Adjustment Act of 1938 so as to exclude from acreage allotments and marketing quotas any peanuts produced and marketed for consumption as boiled peanuts. p. D709

9. TOBACCO. The "Daily Digest" states that the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices of the Agriculture Committee "gave tentative approval to H. R. 1022, providing for lease and transfer of tobacco acreage allotments." p. D709

10. FOREIGN AID. Continued debate on S. 1983, the foreign aid authorization bill (pp. 14819-36, 14839, 14841-54, 14859). By a vote of 63 to 34, agreed to an amendment by Sen. Hickenlooper, as modified by a substitute amendment by Sen. Dirksen, to provide that development loans in excess of $5,000,000 may not be made unless thirty days earlier a full report on the proposed loan is made to the Committees on Foreign Relations and Foreign Affairs of the Senate and House and the Committees on Appropriations of both Houses, and to provide that any of these committees may report a concurrent resolution to disapprove any such proposed loan. The substitute amendment by Sen. Dirksen was agreed to earlier by a vote of 52 to 44. The Hickenlooper amendment would have required the President to submit to Congress annually a budget program for foreign aid to be approved by affirmative action of Congress. (pp. 14821-35) Rejected an amendment by Sen. Lausche to reduce the authorization for the development loan fund from $1,187 million to $900 million for fiscal year 1962 and from $1,900 million to $1,600 million for each of the next 4 fiscal years (pp. 14851-3).

11. WATERSHEDS. Received from the Budget Bureau plans for works of improvements on the following watersheds: p. 14807

Sarasota west coast, Fla., Little Satilla Creek, Ga., Davids Creek, Davis-Battle Creek, and Ryan-Henschal, Iowa, Silver Creek, Kans., East Fork of Pond River, Ky., Tallahalla Creek, Miss., Souhegan River, N. H. and Mass., Ahoskie Creek, N. C., Cane Creek, Okla., Dunlap Creek, Pa., and West Fork Kickapoo, Wisc.; to Agriculture and Forestry Committee.

Confirmations: The nomination of Mrs. Esther Peterson, of Virginia, to be an Assistant Secretary of Agriculture, and 11 judicial nominations were confirmed.

Page 14865

Nominations: Two judicial, and four Navy nominations in the rank of admiral, were received. Page 14865

Record Votes and Quorum Call: Five record votes and one quorum call were taken during Senate proceedings today. Pages 14834, 14835, 14847, 14853, 14854

Program for Wednesday: Senate met at 10 a.m. and adjourned at 7:23 p.m. until 10 a.m. Wednesday, August 16, when it will continue on S. 1983, foreign aid.

Pages 14835, 14865

Committee Meetings

(Committees not listed did not meet)

PERISHABLE COMMODITIES, PEANUTS, TOBACCO

Committee on Agriculture and Forestry: Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices, in executive session, ordered favorably reported to the full committee S. 1037, relating to practices in the marketing of perishable agricultural commodities (amended); and H.R. 1021, to extend for 2 years the present definition of "peanuts" under the Agricultural Adjustment Act.

Subcommittee gave tentative approval to H.R. 1022, providing for lease and transfer of tobacco acreage allotments.

APPROPRIATIONS—D.C.

Committee on Appropriations: Subcommittee began hearings on H.R. 8072, fiscal 1962 appropriations for the District of Columbia, receiving testimony from Walter N. Tobriner, President of the Board of Commissioners, who was accompanied and assisted by department heads and other officials of the D.C. government.

Hearings continue tomorrow.

COMMITTEE BUSINESS

Committee on Banking and Currency: Committee, in executive session, ordered favorably reported the nomination of George W. Mitchell, of Illinois, to be a member of the Board of Governors of the Federal Reserve System; S. 1005, to prohibit contracting for construction of Federal Reserve bank branch buildings without approval of the Federal Reserve Board (amended); S. 1486, authorizing establishment of reasonable service charges which may be levied on dormant accounts by national banks; S. 1771, to improve the usefulness of national bank branches in foreign countries; S. 2130, to repeal certain obsolete laws relating to the mints and assay offices; and H.R. 7864, to transfer the Federal Facilities Corporation to the GSA.

Prior to this action, in open session, Mr. Mitchell was present to testify and answer questions in his own behalf.

D.C. JUVENILE COURT

Committee on the District of Columbia: Subcommittee on the Judiciary resumed its hearings on S. 486, providing for the appointment of two additional judges for the D.C. juvenile court; S. 2114, authorizing appointment of two referees of the D.C. juvenile court; S. 2299, providing for the establishment of a juvenile division within the D.C. Youth Correctional Center; and general juvenile problems, including questions raised by provisions of H.R. 6747, creating a juvenile court branch of the D.C. municipal court. Testimony was received from Wesley Williams, President, D.C. Board of Education; Aubrey Gasque, Administrative Office of the U.S. Courts; Jerry Bernstein, Occupational Training Center; James Ernst, D.C. Bar Association; and Eugene Roberson, an attorney at law.

Hearings continue tomorrow.

DISARMAMENT

Committee on Foreign Relations: Committee continued its hearings on S. 2180, to establish a U.S. Disarmament Agency for World Peace and Security, having as its witnesses Henry Cabot Lodge, former U.S. Ambassador to the U.N.; Thomas S. Gates, Jr., former Secretary of Defense; Gen. Alfred M. Gruenther, former Commander of NATO; Christian A. Herter, former Secretary of State; Dr. Herbert York, former Director of Defense, Research and Engineering, DOD; and Fredric Eaton, former U.S. Ambassador to the 10 nations disarmament conference.

Hearings continue tomorrow, with testimony from public witnesses.

INDIANS

Committee on Interior and Insular Affairs: Subcommittee on Indian Affairs approved for full committee consideration S. 2123, authorizing use of funds arising from judgments in favor of any of the Confederated Tribes of the Colville Reservation, prior to which action, testimony thereon was received from Lyle Keith, attorney, Confederated Tribes of the Colville Reservation, and Lewis A. Sigler, Assistant Legislative Counsel, Department of the Interior.

Subcommittee also held hearings on H.R. 5144, providing for payment for individual Indian lands of the Lower Brule Sioux Reservation, S. Dak., and H.R. 5165, providing for payment for individual Indian lands of the Crow Creek Sioux Reservation, S. Dak. Testimony was heard from Senators Mundt, and Case of South Dakota; former Senator O'Mahoney; and Loney W. Hart, Corps of Army Engineers, who was accompanied by his associates. Hearings continue on Monday, August 21.

DESIGN PROTECTION

Committee on the Judiciary: Subcommittee on Patents, Trademarks, and Copyrights held hearings on S. 1884, to permit the author of an original ornamental design to secure protection against unauthorized copying of the design. Witnesses heard were Representative Ford; Ellis Arnall, Society of Independent Motion Picture Producers of California; Judge Giles S. Rich, U.S. Court of Customs and Patent Appeals; George Lucas, Jr., National Committee for Effective Design Legislation; Jack Schwartz, Pleaters, Stitchers, and Embroiderers Association, Inc.; Jack Waldheim, of Milwaukee; Philip T. Dalsimer, a New York attorney; and D. J. DePree, of the Herman Miller Furniture Co., Zeeland, Mich., and S. W. Tamminga, Furniture Manufacturers Association of Grand Rapids, both of whom were introduced by Representative Ford. A slide demonstration of the nature of the problem of design piracy was given by a Mr. John Pile.

Hearings continue tomorrow.

NOMINATIONS

Committee on the Judiciary: Subcommittee held hearings on the nominations of Arthur M. Davis, to be U.S. district judge, district of Arizona, with testimony from Senator Hayden; and John D. Larkins, Jr., to be U.S. district judge, eastern district of North Carolina, with testimony from Senators Ervin and Jordan, and representatives of the State Bar Association of North Carolina.

COMMITTEE BUSINESS

Committee on Public Works: Committee, in executive session, ordered favorably reported S. 639, to change the name of the Thomaston Dam, Conn., to the Charles L. Eyanson Dam and Reservoir; S. 1563, to convey certain land to the Georgia-Carolina Council, Inc., Boy Scouts of America, for recreation purposes; S. 1742, authorizing Federal assistance to Guam, American Samoa, and the Trust Territory of the Pacific Islands in major disasters; S. 2295, relating to the maintenance and improvement of the National Zoological Park; and H.R. 4660, authorizing lump-sum payments to the Kings Lake Drainage District, Missouri, in lieu of payments to individual landowners.

Committee also approved a prospectus submitted by the GSA for additional court facilities, alterations of existing buildings at 37 locations in 21 States and Puerto Rico ($11,970,000), and watershed projects at Big Sandy Creek, Colo.; South River, Ga.; Middle Fork, Anderson River, Ind.; Middle-South Branch, Forest River, N. Dak.; Twin Parks River, Wis.; Beaver Creek, Oreg.; and Sallisaw Creek, Okla.

Committee tentatively approved H.R. 6676, to designate the Kettle Creek Dam, Pa., as the Alvin R. Bush Dam; and the nominations of Paul M. Butler, of Indiana, Thomas P. McMahon, of New York, and Dr. N. R. Danielian, of Maryland, all to be members of the Advisory Board of the St. Lawrence Seaway Development Corporation.

Committee agreed to hold hearings on H.R. 856, Delaware River Basin compact; S. 1976, authorizing acquisition of certain Virginia land in connection with the George Washington Memorial Parkway; and H.R. 5963, relating to vertical clearances of bridges to be constructed across the Mississippi and Sacramento Rivers.

FEDERAL ELECTIONS

Committee on Rules and Administration: Subcommittee on Privileges and Elections, in executive session, ordered favorably reported to the full committee S. Res. 141, relating to the establishment of a date for holding national political conventions; and an original bill to be introduced in lieu of an amended version of S. 604, proposed Federal Elections Act of 1961.

House of Representatives

Chamber Action

Bills Introduced: 20 public bills, H.R. 8708–8727; 4 private bills, H.R. 8728–8731; and 4 resolutions, H.J. Res. 530 and 531, H. Con. Res. 371, and H. Res. 419, were introduced. Pages 14804–14805

Bills Reported: Reports were filed as follows:

S. 2079, retrocession of jurisdiction to the State of North Carolina of area within Camp Lejeune, N.C., utilized as public highways (H. Rept. 904);

H.R. 7723, to increase per diem rates for members of the uniformed services, amended (H. Rept. 905);

H.R. 8045, changing the name of the Hydrographic Office to the Oceanographic Office (H. Rept. 906);

H. Con. Res. 208, to recognize officially San Diego as the birthplace of naval aviation, amended (H. Rept. 907);

H.R. 7916, expanding and extending the saline water conversion program being conducted by the Secretary of the Interior, amended (H. Rept. 908);

Report of the Committee on Science and Astronautics entitled "Space Orbital Rendezvous" (H. Rept. 909);

Report of the Committee on Science and Astronautics entitled "Expendable Space Structures" (H. Rept. 910);

Six private bills, S. 1100, S. Con. Res. 31, H.R. 1313, 3408, 4797, and 5334 (H. Repts. 911–916, respectively);

S. 880, authorizing the Secretary of Commerce to accept gifts and bequests of personal property for the

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HIGHLIGHTS: Senate committee reported bill to establish national hog cholera eradication program. Senate committee voted to report bill for lease and transfer of tobacco acreage allotments. Senate debated foreign aid authorization bill. House debated foreign aid authorization bill.

SENATE

1. THE AGRICULTURE AND FORESTRY COMMITTEE reported the following bills: p. 14871

S. 1908, without amendment, directing the Secretary of Agriculture to initiate a national hog cholera eradication program in cooperation with the States (S. Rept. 748).

S. 1037, with amendment, to amend the Perishable Agricultural Commodities Act regarding fees, oral hearings, and relicensing of persons under the Act (S. Rept 750).

H. R. 1021, without amendment, to extend for 2 years the definition of peanuts which is now in effect under the Agricultural Adjustment Act of 1938 so as to exclude from acreage allotments and marketing quotas any peanuts produced and marketed for consumption as boiled peanuts (S. Rept. 749).

S. 1927, with amendment, to clarify and simplify the lending operations of institutions regulated by the Farm Credit Administration (S. Rept. 747).

2. TOBACCO. The Agriculture and Forestry Committee voted to report (but did not actually report) with amendment H. R. 1022, to provide for the lease and transfer of tobacco acreage allotments. p. D716

3. FOREIGN AID. Continued debate on S. 1983, the foreign aid authorization bill (pp. 14895-935, 14937-40). By a vote of 51 to 43, agreed to an amendment by Sen. Ellender to reduce from $1,900 million to $1,700 million the authorization for development loans for each of the fiscal years 1963 through 1966 (pp. 14914-7). Agreed to a unanimous consent agreement providing that beginning Thurs., Aug. 17, further debate will be limited to 1 hour on any amendment and to 6 hours on final passage of the bill (p. 14934).

   Sen. Humphrey submitted an amendment intended to be proposed to the bill to provide that in the administration of technical assistance, the Administrator shall "utilize to the fullest extent practicable, the facilities and resources of the Federal agency or agencies with primary responsibilities for domestic programs in such field." p. 14872

4. DISASTER RELIEF. The Public Works Committee reported without amendment S. 1742, to authorize Federal assistance to Guam, American Samoa, and the Trust Territory of the Pacific Islands in major disasters (S. Rept. 758). p. 14943

5. WATERSHEDS. The Agriculture and Forestry Committee approved the following watershed projects: Big Creek, Ark., Ulatis Creek, Calif., South Branch, Park River, Conn., Frog Creek, Kans., Humphrey-Clanton Creek, Ky., South Branch Cass River, Mich., Plum Creek, Nebr., Upper Red Rock Creek, Okla., and Houser Creek, Tenn. p. D716

6. FARM LABOR. Sen. Morse inserted resolutions adopted by the American Baptist Convention, including a resolution favoring Federal aid to improve conditions for migratory farm workers. pp. 14868-71

7. EDUCATION. Sen. McNamara submitted an amendment he intends to propose to provide for a 2-year extension of Federal assistance for schools in federally impacted areas. p. 14872

8. FOREIGN TRADE. Sen. Proxmire expressed concern over the "Soviet economic offensive," stated that the "Soviet trade challenge looms as a significant factor in the shaping of our foreign policy toward many sensitive areas of the world," and inserted several items relating to U. S. and Soviet trade with other nations. pp. 14880-92

HOUSE

9. FOREIGN AID. Continued debate on H. R. 8400, the foreign aid authorization bill (pp. 14945-15005). By a vote of 197 to 185, agreed to an amendment by Rep. Morgan, as modified by a substitute amendment by Rep. Saund, to strike out the provision authorizing development loans over a 5-year period to be financed by Treasury borrowings, and to authorize instead appropriations of $1,200,000,000 for the fiscal year 1962 for development loans, to be available until expended (pp. 14991-15005).

10. EDUCATIONAL EXCHANGES. Rep. Hays discussed his bill H. R. 8666, to provide for educational and cultural exchanges, saying, "The proposals contained in this bill are a necessary first step toward improvement in a vital area of our international affairs." pp. 15005-6

11. WATER COMPACTS. The Interior and Insular Affairs Committee reported without amendment S. 2245, to extend the time for negotiation of certain compacts by the States of Nebraska, Wyoming, and South Dakota (H. Rept. 952). p. 15015

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HIGHLIGHTS: House passed foreign aid authorization bill. Senate passed foreign aid authorization bill. Senate committee reported bill for transfer of tobacco allotments. Sen. Sparkman commended farm housing program. Sen. Long, Hawaii, introduced and discussed bill to revise school lunch apportionment formula.

SENATE

1. FOREIGN AID. Passed, 66-24, with amendments S. 1983, the foreign aid authorization bill. pp. 15271-2, 15277-331

   Agreed to the following amendments:

   By Sen. Gruening, 74-16, to limit interest rates on re-loans from the Development Loan Fund, after rejecting, 38-53, a Sparkman substitute. pp. 15298-302

   By Sen. Dirksen, barring aid to any country indebted to a U. S. citizen who has exhausted available legal remedies. pp. 15310-11

   Rejected the following amendments:

   By Sen. Mundt (through agreeing, 51-40, to a motion to lay the amendment on the table), to provide for aid for education in Federally impacted areas. pp. 15302-10

   By Sen. Prouty, to require advance reports to Congress on all economic grants abroad exceeding $5 million, by a 30-59 vote. pp. 15272, 15277-83

   By Sen. Cotton (for Sen. Bridges), 43-45, to bar aid to countries exporting strategic materials to the Communist bloc. pp. 15283-6

   By Sen. Dirksen (for Sen. Bridges), barring loans or grants for plants which compete with U. S. industry. pp. 15314-19

2. TOBACCO. The Agriculture and Forestry Committee reported with amendments H.R.

1022, to provide for lease and transfer of tobacco acreage allotments (S. Rept. 762). p. 15257

Sen. Talmadge expressed a fear that competition is being restrained in the Georgia-Florida tobacco market and said the Agriculture and Forestry Committee may investigate the matter. pp. 15265-6

3. FARM-HOUSING LOANS. Sen. Sparkman described and commended the farm-housing loans provisions of the recent omnibus housing law. pp. 15332-3

4. FOREIGN TRADE; SURPLUS COMMODITIES. Both Houses received a report from this Department on agreements under Public Law 480. pp. 15256, 15253

Sen. Sparkman inserted an amendment which he and Sen. Saltonstall intend to propose to S. 1729, a bill to protect the foreign commerce of the U. S. The amendment provides for floating trade fairs. p. 15261.

5. POULTRY. Sen. Talmadge inserted and discussed his letter to Secretary Freeman recommending that Sec. 32 funds be used to purchase laying hens so as to reduce poultry production. p. 15266

6. FORESTRY. The Public Lands Subcommittee ordered reported to the Interior and Insular Affairs Committee, amended, S. 1760, to establish the Great Basin National Park, Nev., including national forest lands. p. D730

Several Senators submitted amendments which they intend to propose to S. 174, to establish a National Wilderness Preservation System. p. 15260

7. LEGISLATIVE PROGRAM. Sen. Mansfield said the calendar will be read today, Aug. 21, followed by the State-Justice appropriation bill, and that the following will be among the bills subsequently considered: Military construction, atomic energy amendments, occupational training, State employee retirement payments, Peace Corps, migratory workers. p. 15332

8. ADJOURNED until Mon., Aug. 21. p. 15337

HOUSE

9. FOREIGN AID. By a vote of 287 to 140, passed with amendments H. R. 8400, the foreign aid authorization bill. pp. 15192-244

Agreed to the following amendments:

By Rep. Fascell, authorizing the President to establish and maintain a total embargo on all trade between the U. S. and Cuba. p. 15211

By Rep. Rogers Fla., as amended by a substitute by Rep. Meader, to provide that no assistance shall be furnished under this bill to the present government of Cuba. pp. 15211-5

By Rep. Rogers, Fla., to provide that no assistance shall be furnished under this bill to any country which furnishes assistance to the present government of Cuba. p. 15215

By Rep. Casey, 124-86, to prohibit assistance to 17 specific Communist countries. pp. 15217-21

Rejected the following amendments:

By Rep. Stratton, 50-87, to provide that materials and supplies must be purchased from depressed areas in the U. S. pp. 15192-8

By Rep. Williams, 102-212, to provide that no assistance shall be furnished under this bill to any country whose mission to the U. N. votes after the date of enactment of this bill for the seating of the Communist Chinese in the U. N. pp. 15221-5

By Rep. Gross, to strike all reference to the Peace Corps from the bill. p. 15236

Calendar No. 739

87TH CONGRESS, 1st Session | SENATE | REPORT No. 762

TRANSFER OF TOBACCO ALLOTMENTS

AUGUST 18, 1961.—Ordered to be printed

Mr. HOLLAND, from the Committee on Agriculture and Forestry, submitted the following

REPORT

together with

INDIVIDUAL VIEWS

[To accompany H.R. 1022]

The Committee on Agriculture and Forestry, to whom was referred the bill (H.R. 1022), to amend the Agricultural Adjustment Act of 1938 to provide for lease and transfer of tobacco acreage allotments, having considered the same, report thereon with a recommendation that it do pass with amendments.

This bill authorizes leases of tobacco acreage allotments for each of the crop years 1962 and 1963. With the committee amendments, it would be inapplicable to burley tobacco acreage allotments, and would not authorize the transfer of Maryland (type 32) tobacco allotments from farms which had not planted at least 75 percent of their Maryland tobacco allotments in each of the years 1961 and 1962. The committee amendments are recommended at the request of producers of burley and Maryland tobaccos.

The bill is more fully explained in the attached report of the House Committee on Agriculture. The committee amendment recommended by the House Committee on Agriculture was agreed to by the House.

[H. Rept. 826, 87th Cong., 1st sess.]

The Committee on Agriculture, to whom was referred the bill (H.R. 1022) to amend the Agricultural Adjustment Act of 1938 to provide for lease and transfer of tobacco acreage allotments having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert:

That the Agricultural Adjustment Act of 1938, as amended, is further amended by adding the following new section:

"SEC. 316. (a) Notwithstanding any other provision of this Act for the crop years 1962 and 1963, the owner and operator of any farm for which a tobacco acreage allotment is established may lease any part of such allotment to any other owner or operator of a farm in the same county for use in such county on a farm having a current tobacco allotment of the same kind. Such lease and transfer of allotment shall be recognized and considered valid by the county committee provided the conditions set forth in this section are met.

"(b) Any lease shall be made on such terms and conditions, except as otherwise provided in this section, as the parties thereto agree. No lease shall be entered into for any period in excess of one crop year, but may be renewed for the 1963 crop year, if the parties so agree.

"(c) The lease and transfer of any allotment shall not be effective until a copy of such lease is filed with and determined by the county committee of the county in which the farms involved are located to be in compliance with the provisions of this section. Such lease and transfer shall not be effective unless a copy of the lease is filed with the county committee prior to a closing date established by the Secretary, which date shall be no later than the normal planting time in the county. If the normal yield established by the county committee for the farm to which the allotment is transferred does not exceed the normal yield established by the county committee for the farm from which the allotment is transferred by more than 10 per centum, the lease and transfer shall be approved acre for acre. If the normal yield for the farm to which the allotment is transferred exceeds the normal yield for the farm from which the allotment is transferred by more than 10 per centum, the county committee shall make a downward adjustment in the amount of the acreage allotment transferred by multiplying the normal yield established for the farm from which the allotment is transferred by the acreage being transferred and dividing the result of the normal yield established by the farm to which the allotment is transferred.

"(d) The lease and transfer of any part of a tobacco acreage allotment determined for a farm shall not affect the allotment for the farm from which such acreage allotment is transferred or the farm to which it is transferred, except with respect to the crop year specified in the lease. The amount of acreage allotment which is leased from a farm shall be considered for purpose of determining future allotments to have been planted to tobacco on the farm from which such allotment is transferred and the production pursuant to the lease and transfer shall not be taken into account in establishing allotments for subsequent years for the farm to which such allotment is transferred. The lessor shall be considered to have been engaged in the production of tobacco for the purpose of eligibility to vote in the referendum.

"(e) Under the provisions of this section not more than 5 acres of allotment may be leased and transferred to any farm: *Provided*, That the total acreage allotted to any farm after such transfer shall not exceed 50 per centum of the acreage of cropland in the farm.

"(f) The Secretary shall prescribe such regulations as he considers necessary for carrying out the provisions of this section."

PURPOSE

The purpose of this bill is to authorize the transfer by lease—for the crop years 1962 and 1963 only—of tobacco acreage allotments from one farm to another within the same county.

NEED FOR THE LEGISLATION

In many areas tobacco acreage allotments have become so small—thousands of them only a fractional part of an acre—that producers holding such small allotments frequently find that the planting of their allotment in any particular year is an uneconomic operation. This bill will authorize, for 2 crop years only, the holders of such small allotments to transfer their allotment to another tobacco producer in the same county, if they choose to do so. Tobacco experts of the Department of Agriculture estimate that the authorization will be exercised by only about 2 percent of the tobacco growers but the committee believes that for those who will be concerned it will be of substantial assistance in their farming operations.

COST

Other than some slight additional administrative work, there will be no additional cost to the Government as the result of this legislation.

COMMITTEE AMENDMENT

The committee amendment strikes out all after the enacting clause of the original bill and substitutes language which was developed in line with testimony heard by the committee during its hearings. Specifically, the new language embodies most of the safeguards and limitations recommended by the Department of Agriculture in its report and testimony on the bill.

Included in these limitations are: (1) Both farmers involved must be in the same county and the lease must be filed with, and approved by, the county committee. (2) If the normal yield for the farm to which the allotment is being transferred exceeds the normal yield of the farm from which the transfer is being made by more than 10 percent, the transferred allotment will be adjusted downward in the same ratio as the difference in yields. (3) Not more than 5 acres of allotment may be leased and transferred to any farm. (4) Only farms already having tobacco allotments for the same kind of tobacco are eligible to lease allotments. (5) The acreage is considered as having been produced on the farm from which the allotment is transferred for purposes of future allotments and referendum voting rights. (6) The bill applies only to the 1962 and 1963 crops.

DEPARTMENTAL POSITION

As set out in the following report from the Department of Agriculture on H.R. 1022, the Department took the position that it was not opposed to the proposed legislation, particularly if amended in accordance with the Department's recommendations in its report (as has been done) but suggested that the bill should go further and should be made to apply to all allotted commodities and to permit transfers

for a longer period of years or their outright sale. Following is the letter from the Department on this bill:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, June 22, 1961.

Hon. HAROLD D. COOLEY,
Chairman, Committee on Agriculture,
House of Representatives.

DEAR CONGRESSMAN COOLEY: This is in reply to your request of March 14, 1961, for a report on H.R. 1022, a bill to amend the Agricultural Adjustment Act of 1938 to provide for lease and transfer of tobacco acreage allotments.

The bill provides that the owner and operator of any farm for which a tobacco acreage allotment is established may lease and transfer, on an annual basis, any part of such allotment to any other owner or operator of a farm in the same county.

This Department would favor the enactment of the bill if it were amended as hereinafter suggested.

The Department favors the transferability of allotments and quotas for tobacco and other commodities under conditions which will protect and enhance the position of family farmers.

Transferability of allotments will reduce the production costs and improve the income of small producers who desire to continue to produce by permitting them to acquire additional allotments without the heavy costs involved in buying additional land. It will make it easier for those who do not wish to continue the production of the affected commodity to transfer their resources into some other enterprise.

The Department believes that the sale of allotments, or their leasing for a period of years, would be preferable to leasing on a year-to-year basis. The permanent transfer of allotments would make a more substantial contribution toward establishing stable family sized economic units of production, which will, in turn, result in more efficient production. In addition, the administrative expense and difficulties would be substantially less than handling transfers on an annual basis. The Department, therefore, believes that H.R. 1022 should be amended to permit permanent transfers and leases for a period of years as well as transfers on an annual basis.

Further, the Department would prefer legislation applicable to all marketing quota commodities which would permit such transfers of allotments, subject to appropriate limitations and regulations. There is no reason for discriminating against the producers of any of these commodities in this regard.

Certain safeguards should be established, either in the legislation or by regulations thereunder, applicable to any transfers whether permanent or temporary. These include—

(1) Adjustments of allotments and history acreage when transfers are made to farms which have a substantially higher yield per acre;

(2) Reasonable limits on the size of the resulting allotments on farms to which transfers are made both in terms of number of acres and in relation to the cropland on the farm;

(3) Appropriate adjustments in crediting of allotments and acreage histories for the farms from which and the farms to which transfers are made;

(4) Appropriate restrictions on the establishment of new allotments, and appropriate changes in minimum acreage provisions, for farms from which allotments are transferred;

(5) Administrative provisions to assure that transfers will be made in an orderly manner and adequate records kept; and

(6) Appropriate restrictions upon the geographical limits within which transfers may be made.

This Department will be glad to assist your committee in drafting appropriate amendments to accomplish the changes suggested herein.

The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

ORVILLE L. FREEMAN,
Secretary.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

AGRICULTURAL ADJUSTMENT ACT OF 1938

* * * * * * *

SEC. 316. (a) Notwithstanding any other provision of this Act for the crop years 1962 and 1963, the owner and operator of any farm for which a tobacco acreage allotment (other than a burley tobacco acreage allotment) is established may lease any part of such allotment to any other owner or operator of a farm in the same county for use in such county on a farm having a current tobacco allotment of the same kind. Such lease and transfer of allotment shall be recognized and considered valid by the county committee provided the conditions set forth in this this section are met. In the case of Maryland (type 32) tobacco, no farm shall be eligible for lease of allotment from the farm unless at least 75 per centum of the allotment for the farm was actually planted during each of the years 1960 and 1961.

(b) Any lease shall be made on such terms and coniditons, except as otherwise provided in this section, as the parties thereto agree. No lease shall be entered into for any period in excess of one crop year, but may be renewed for the 1963 crop year, if the parties so agree.

(c) The lease and transfer of any allotment shall not be effective until a copy of such lease is filed with and determined by the county committee of the county in which the farms involved are located to be in compliance with the provisions of this section. Such lease and transfer shall not be effective unless a copy of the lease is filed with the county committee prior to a closing date established by the Secretary, which date shall be no later than the normal planting time in the county. If the normal yield established by the county committee for the farm to which the allotment is transferred does not exceed the normal yield established by the county committee for the farm from which the allotment is transferred by more than 10 per centum, the lease and transfer shall be approved acre for acre. If the normal yield for the farm to which the allotment is transferred exceeds the normal yield for the farm from which the allotment is transferred by more than 10 per centum, the county committee shall make a downward adjustment in the amount of the acreage allotment transferred by multiplying the normal yield established for the farm from which the allotment is transferred by the acreage being transferred and dividing the result by the normal yield established by the farm to which the allotment is transferred.

(d) The lease and transfer of any part of a tobacco acreage allotment determined for a farm shall not affect the allotment for the farm from which such acreage allotment is transferred or the farm to which it is transferred, except with respect to the crop year specified in the lease. The amount of acreage allotment which is leased from a farm shall be considered for purpose of determining future allotments to have been planted to tobacco on the farm from which such allotment is transferred and the production pursuant to the lease and transfer shall not be taken into account in establishing allotments for subsequent years for the farm to which such allotment is transferred. The lessor shall be considered to have been engaged in the production of tobacco for the purpose of eligibility to vote in the referendum.

(e) Under the provisions of this section not more than five acres of allotment may be leased and transferred to any farm: Provided, That the total acreage allotted to any farm after such transfer shall not exceed 50 per centum of the acreage of cropland in the farm.

(f) The Secretary shall prescribe such regulations as he considers necessary for carrying out the provisions of this section.

VIEWS OF SENATOR COOPER

This bill for the first time would permit farmers, who have agreed to limit production of a basic crop under the Agriculture Adjustment Act of 1938, to arrange among themselves for the acreage allotted to each of two or more farms to be grown by one of them on a single farm. It is limited to tobacco, and to the leasing rather than the sale of farm allotments. For the next 2 years, a farmer having a tobacco allotment on his farm could lease up to 5 additional acres of allotment assigned to other farms within the county, and grow tobacco on the combined acreage. In recording the production "history" kept for each farm, which determines the farms entitled to have a tobacco allotment, the shifted tobacco will be credited to the farm from which the allotment is leased as if it had been planted there, and will not accrue to the farm where it is actually grown. Voting rights in the program referendum will be preserved for the farmers who lease their farm's tobacco allotment to be grown by others in 1962 or 1963.

I made the motion, which was accepted by the Senate Committee on Agriculture and Forestry, to strike burley tobacco from the bill passed by the House of Representatives. I did so because I believed that this step, which represents a sharp change in the concept of our farm programs, deserved the most careful examination in Senate hearings—in order to define the problems to which the bill may be directed, examine alternatives and their possible effects, maintain the objectives of the program, and safeguard its successful operation. Although I have been the coauthor of several laws under which the tobacco program now operates—including that which provides price supports fixed at 90 percent of parity—I am not as familiar with the problems of other types of tobacco. I do know about tobacco production in Kentucky, where the chief tobacco produced is burley, and that the present burley program is successful and accepted by farmers. I think it is better to see how the leasing of allotments works with Flue-cured and the dark tobaccos before it is considered for burley. My principal reasons follow:

DANGER OF CONCENTRATION

One argument made for this bill is that small farmers will lease the additional acreage needed to give them a better farm operation. But the result of leasing could be the opposite, concentrating the wealth-producing tobacco acreage on big farms in the best section of each county. Farmers from whom the allotment is leased will want cash, not kind—for they can grow the tobacco, or lease or rent their farm and share in the crop, now. The successful bidders for leases are likely to be the people with cash—having good land, tobacco barns, sizable allotments, and an efficient operation ready for expansion.

SMALL FAMILY FARMS DEPEND ON TOBACCO

Another argument made for the bill is that it will help preserve the family farm. In my view, the bill may have the opposite effect. Under the terms of the House bill, for example, farms already having double the average burley allotment (1 acre) could triple their acreage by leasing 4 or 5 additional acres. Leasing may encourage the movement of this enterprise, on which many farm families depend as their major cash crop, to farms already having the largest tobacco allotments. After the small family farm leases away its tobacco acreage, it will be less attractive for them to work the remainder of the farm, and for the family to stay on the farm.

ALLOTMENTS ARE BASED ON FARM PRODUCTION HISTORY

My third objection is that this bill changes the basis on which acreage is allotted. The act of 1938 based allotments on the history of production on specific tracts of land and on the efforts of a farmer on that land year after year. The courts have held that the right accrues to the land, not the individual—that the allotment "runs with the land" and is not tied to the farmer; every allotment notice for crops under quotas states that the allotment is for the farm and not the individual. Leasing, however, gives the right to determine who shall grow the tobacco to the individual; what may become a kind of Government production license will be transferred for cash to farmers who have not established the history of production to secure this right in addition to their own allotment.

Many farmers in every State have not been able to secure a tobacco allotment. They have been told that allotments are based on the history of production on each farm. Those who have no allotment, and who are quite willing to pay for the right, may now contend that they should be permitted to lease allotments also, and that the system is undemocratic.

Advocates of the bill insist that they vigorously oppose the sale of allotments. However, the Secretary of Agriculture has recommended not only the leasing but also, and preferably, the sale of all crop allotments. It seems to me that leasing is a step which takes away the arguments of congressional intent against the buying and selling of these rights conferred by law. Of course, Congress can change the law. But it ought to do so only after careful thought as to what its program objectives are, what principles shall be followed, and what is fair to all farmers.

DANGER OF SURPLUS PRODUCTION

Finally, the purpose of the act of 1938 is to hold production within limits proclaimed by the Secretary of Agriculture according to criteria fixed by Congress, in order to preserve good prices. Under this bill, the transfer of allotments to farms having yields up to 10 percent greater than the farms for which the allotments were established would not be penalized. Surely those paying cash for the leased allotments would expect to move them to better land, and to maximize yields with fertilizer and irrigation. Further, allotments now unused would come into production. As we have all learned so well, even a

5 percent excess supply can upset markets, drive down prices, and create a surplus which could endanger the stable system we have established in the tobacco program—a successful program providing 90 percent of parity to growers without loss to the public.

ADDITIONAL SAFEGUARDS NEEDED

Farmers can lease or rent land having an allotment now, provided they are willing to grow the tobacco on the farm to which the acreage is allotted. If the objective of this bill is to help family farms, or to avoid the hardship of renting small separated allotments which are uneconomic or difficult to work in scattered locations, or to avoid forcing the purchase of farms used solely for their tobacco allotment, it could have been better devised. For example, small farms might be permitted to lease from others nearby an acreage related to the size of their present allotment, but not more than would result in a combined acreage larger than a practical family farm operation—say 3 acres for both their own and the leased allotment, in the case of burley.

Tobacco farmers now enjoy a carefully balanced price support and production control program, which on the whole is working well. I do not object to trying to improve that program. But in this case I think there should be full consideration of the leasing proposal by burley growers and their farm organizations prior to its adoption by the Congress.

JOHN SHERMAN COOPER.

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Calendar No. 739

87TH CONGRESS
1ST SESSION

H. R. 1022

[Report No. 762]

IN THE SENATE OF THE UNITED STATES

AUGUST 8, 1961

Read twice and referred to the Committee on Agriculture and Forestry

AUGUST 18, 1961

Reported by Mr. HOLLAND, with amendments

[Insert the part printed in italic]

AN ACT

To amend the Agricultural Adjustment Act of 1938 to provide for lease and transfer of tobacco acreage allotments.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Agricultural Adjustment Act of 1938, as amended, is further amended by adding the following new section:

"SEC. 316. (a) Notwithstanding any other provision of this Act for the crop years 1962 and 1963, the owner and operator of any farm for which a tobacco acreage allotment *(other than a burley tobacco acreage allotment)* is established may lease any part of such allotment to any other owner or operator of a farm in the same county for use in such

county on a farm having a current tobacco allotment of the same kind. Such lease and transfer of allotment shall be recognized and considered valid by the county committee provided the conditions set forth in this section are met. *In the case of Maryland (type 32) tobacco, no farm shall be eligible for lease of allotment from the farm unless at least 75 per centum of the allotment for the farm was actually planted during each of the years 1960 and 1961.*

"(b) Any lease shall be made on such terms and conditions, except as otherwise provided in this section, as the parties thereto agree. No lease shall be entered into for any period in excess of one crop year, but may be renewed for the 1963 crop year, if the parties so agree.

"(c) The lease and transfer of any allotment shall not be effective until a copy of such lease is filed with and determined by the county committee of the county in which the farms involved are located to be in compliance with the provisions of this section. Such lease and transfer shall not be effective unless a copy of the lease is filed with the county committee prior to a closing date established by the Secretary, which date shall be no later than the normal planting time in the county. If the normal yield established by the county committee for the farm to which the allotment is transferred does not exceed the normal yield established by the county committee for the farm from which the allotment is

transferred by more than 10 per centum, the lease and transfer shall be approved acre for acre. If the normal yield for the farm to which the allotment is transferred exceeds the normal yield for the farm from which the allotment is transferred by more than 10 per centum, the county committee shall make a downward adjustment in the amount of the acreage allotment transferred by multiplying the normal yield established for the farm from which the allotment is transferred by the acreage being transferred and dividing the result by the normal yield established by the farm to which the allotment is transferred.

"(d) The lease and transfer of any part of a tobacco acreage allotment determined for a farm shall not affect the allotment for the farm from which such acreage allotment is transferred or the farm to which it is transferred, except with respect to the crop year specified in the lease. The amount of acreage allotment which is leased from a farm shall be considered for purpose of determining future allotments to have been planted to tobacco on the farm from which such allotment is transferred and the production pursuant to the lease and transfer shall not be taken into account in establishing allotments for subsequent years for the farm to which such allotment is transferred. The lessor shall be considered to have been engaged in the production of tobacco for the purpose of eligibility to vote in the referendum.

"(e) Under the provisions of this section not more than five acres of allotment may be leased and transferred to any farm: *Provided*, That the total acreage allotted to any farm after such transfer shall not exceed 50 per centum of the acreage of cropland in the farm.

"(f) The Secretary shall prescribe such regulations as he considers necessary for carrying out the provisions of this section."

Passed the House of Representatives August 7, 1961.

Attest: RALPH R. ROBERTS,

Clerk.

Calendar No. 739

87TH CONGRESS
1ST SESSION

H. R. 1022

[Report No. 762]

AN ACT

To amend the Agricultural Adjustment Act of 1938 to provide for lease and transfer of tobacco acreage allotments.

AUGUST 8, 1961

Read twice and referred to the Committee on Agriculture and Forestry

AUGUST 18, 1961

Reported with amendments

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For information only; should not be quoted or cited)

Issued August 22, 1961
For actions of August 21, 1961
87th-1st, No. 144

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HIGHLIGHTS: Senate passed bills to: Provide for hog cholera eradication. Permit transfer of tobacco allotments. Clarify and simplify operations of Farm Credit agencies. Senate debated State-Justice appropriation bill. Sen. Bennett introduced and discussed bill to establish research center for rural redevelopment.

SENATE

1. HOG CHOLERA. Passed without amendment S. 1908, to direct the Secretary of Agriculture to initiate a national hog cholera eradication program, restrict the interstate movement of virulent or other hog cholera virus as necessary, and establish a committee to advise on the program. p. 15368

2. TOBACCO ALLOTMENTS. Passed as reported H. R. 1022, to authorize leasing of tobacco acreage allotments for the crop years 1962 and 1963. As passed by the Senate, the bill would be inapplicable with respect to burley tobacco, and in the case of Maryland (type 32), leasing would be limited to those farms which had planted at least 75% of their Maryland allotments in each of the years 1960 and 1961. The leasing of allotments would be permitted only between farms in the same county, and not more than 5 acres would be permitted to be leased and transferred to any farm. pp. 15375-7

3. FARM LOANS. Passed as reported S. 1927, to make a number of amendments to simplify and clarify the operations of institutions supervised by FCA. pp. 15369-71

4. STATE-JUSTICE APPROPRIATION BILL. Began debate on this bill, H. R. 7371. pp. 15345-6, 15369, 15371-5, 15377-8, 15390-412

5. CLAIMS. Passed without amendment H. R. 6835, to simplify the payment of certain miscellaneous judgments and the payment of certain compromise settlements in State and foreign court cases. This bill will now be sent to the President. p. 15361

6. DISASTER RELIEF. Passed without amendment S. 1742, to authorize Federal assistance to Guam, American Samoa, and the Trust Territory of the Pacific Islands in major disasters. p. 15367

7. FORESTRY. Sen. Bennett submitted and discussed amendments which he intends to propose to S. 174, the wilderness preservation bill. p. 15345

8. APPROPRIATIONS. Both houses received a Budget Bureau letter reporting, pursuant to law, that the "Marketing research and service" appropriation has been apportioned on a basis which indicates the necessity for a supplemental appropriation estimate; to Appropriations Committees. pp. 15343, 15487

9. LEGISLATIVE PROGRAM. Majority Leader Mansfield stated that "beginning this week, the Senate can anticipate being in session every Saturday from now on." p. 15339

HOUSE

10. APPROPRIATIONS. House conferees were appointed on H. R. 7035, the Labor-Health, Education, and Welfare appropriation bill. Senate conferees have been appointed. p. 15414

11. FOREIGN AID. Passed S. 1983, the foreign aid authorization bill, with an amendment inserting the text of H. R. 8400, which had previously been passed by the House (p. 15414). Conferees were appointed in both houses. pp. 15378-90, 15414
Rep. Stratton inserted three articles, "Procurement of U. S. Foreign Aid Materials In the United States Since 1940," "Foreign Aid: Facts and Fallacies," and "U. S. Per Capita Foreign Aid." pp. 15479-81

12. HOG CHOLERA. At the request of Rep. Weaver, passed over H. R. 7176, to provide for a national hog cholera eradication program. p. 15421

13. SURPLUS COMMODITIES. Passed without amendment S. 1873, to permit CCC commodities donated for use in home economics courses to also be used for training college students if the same facilities and instructors are used for training both high school and college students in home economics courses. This bill will now be sent to the President. p. 15425

14. BOTANIC GARDEN. At the request of Rep. Gross, passed over H. R. 5628, to provide for a study and investigation of desirability and feasibility of establishing and maintaining the National Tropical Botanic Garden. p. 15430

15. PERISHABLE COMMODITIES. A subcommittee of the Agriculture Committee voted to report to the full Committee with amendments H. R. 5023, to make various amendments to the Perishable Agricultural Commodities Act. p. D739

16. PUBLIC LANDS. Passed without amendment S. 702, to authorize the Secretary of Agriculture to convey a tract of forest land in Wyoming to the town of Afton. This bill will now be sent to the President. p. 15422
Passed without amendment H. R. 3879, to authorize the Secretary of Agriculture to convey to Wyoming for agricultural purposes the SCS Farson Pilot Farm

Mr. MANSFIELD. I have no assurance of that, but I hope we will dispose of the pending business, get on to what is other appropriate business, and in time, bring up the proposed change in rule XXII.

Mr. JAVITS. Would the Senator care to state at this time his intention with regard to tabling any of these amendments other than his own?

Mr. MANSFIELD. I shall propose to table them.

Mr. JAVITS. I certainly support the Senator's motion. I think it is very urgent that the life of the Commission be extended. I do not agree with the amendment, but I think the question needs to be opened up, and I see no objection to opening it up this way. But may I ask the Senator why he chose this route, which calls for a two-thirds vote, instead of bringing up the bill reported by the Judiciary Committee?

Mr. MANSFIELD. It was not reported by the Judiciary Committee; it was reported by a subcommittee; and, if my information is correct, it never would have been reported by the full Judiciary Committee. So, in an attempt to get action, I discussed this matter with the minority leader, and we felt this was the only way to get action before the Commission went out of existence.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. KEATING. In order that there may be no mistake about the record as regards the members of the Judiciary Committee, it is my opinion, and I believe it is well founded, that a majority of the Judiciary Committee would report that bill if the opportunity were given to them.

Mr. MANSFIELD. If the opportunity were given to them—under certain circumstances. There are always conditions. The Senator is very practical, and he is a practical politician. He knows what would have happened, and that this was the only way to bring the question to the floor with any assurance that the tenure of the Civil Rights Commission would be extended. Otherwise it would go out of existence.

Mr. KEATING. I do not want my remarks to be construed as being in criticism of the majority leader and minority leader for seeking this vehicle. I think we could perhaps have gotten a bill out of the Judiciary Committee, but I recognize the obstacles which exist there, for reasons known also to the majority leader.

As the Senator knows, I favor an extension of the Commission, and shall, of course, support the motion which the majority leader has made, and have proposed amendments, which, in due course, if the motion is granted, we can discuss, as to whether the life of the Commission should be extended 2 years, 4 years, or whether there should be an indefinite extension.

Mr. RUSSELL and Mr. JAVITS addressed the Chair.

Mr. MANSFIELD. I yield to the Senator from New York.

Mr. JAVITS. As I understand the situation, the appropriation for the Civil Rights Commission will carry it only until November of this year. Would it be the Senator's intention, should he be successful, to seek to increase that appropriation, so the additional life of the Commission might be cared for, in terms of the regular appropriations, to the end of the fiscal year?

Mr. MANSFIELD. Of course. I do not believe in doing something only for its symbolic value. If we do anything, I think, we may as well implement it. That was my intention, and I know it was the intention of the distinguished minority leader.

Mr. JAVITS. I wanted the RECORD to be clear as to what he was doing. I am not being critical of him. I shall support him in this motion. I wanted to be sure so the record would be clear.

Mr. MANSFIELD. The Senator is never critical. His suggestions are always helpful.

Mr. RUSSELL. Mr. President——

The ACTING PRESIDENT pro tempore. The Senator from Georgia.

Mr. RUSSELL. A number of Senators have been propounding "iffy" questions as to what will happen and what they propose to do when rule XVI is suspended and the Senate agrees to adopt an amendment extending the life of the Civil Rights Commission.

This is certainly a case of counting the chickens before they are hatched. I would remind Senators that the rules of the Senate are designed to protect appropriation bills against legislative forays of this kind and that it requires a two-thirds vote to suspend rule XVI before this amendment can be in order for consideration to the bill.

There is considerable objection to extending the life of the Commission again. It has already been extended once and there will be determined objection to suspending rule XVI in order to bring this amendment before the Senate. I wish to remind Senators that it is a very dangerous precedent to cast aside the rules of the Senate protecting appropriation bills from legislation.

There are a number of us in the Senate who think that this Commission is unconstitutional and was proposed in the first instance for political purposes. Any valid purpose that its original sponsors may have had in mind should have been long since served during the many years that it has been in existence. We were told in the first instance that this organization was temporary and for a specific purpose. However, there were some of us at that time who, in opposing the creation of the Commission, predicted that it would become a political football and that the bureaucrats and employees of the Commission would seek to make it a permanent agency of Government.

I am seriously opposed to this very extraordinary proposal to again suspend the rules to keep this organization alive. This is one of the agencies of Government that we can well dispense with. I have also noted that a plethora of amendments will be brought forward by the distinguished Senators from New York, either to the extension proposition or in an attempt to suspend the rules and make this appropriation bill a legislative catchall for any legislative proposal which has political appeal.

Before proceeding further this matter, I think we should have a live quorum here in the Senate and I, therefore, suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 159]

Aiken	Fong	Monroney
Allott	Fulbright	Morse
Anderson	Gore	Morton
Bartlett	Gruening	Moss
Beall	Hart	Mundt
Bennett	Hartke	Muskie
Bible	Hayden	Neuberger
Boggs	Hickenlooper	Pastore
Burdick	Hickey	Pell
Bush	Hill	Prouty
Butler	Holland	Proxmire
Byrd, Va.	Hruska	Randolph
Byrd, W. Va.	Humphrey	Robertson
Cannon	Jackson	Russell
Capehart	Javits	Saltonstall
Carlson	Johnston	Schoeppel
Carroll	Jordan	Scott
Case, N.J.	Keating	Smith, Mass.
Case, S. Dak.	Kerr	Smith, Maine
Church	Kuchel	Sparkman
Clark	Lausche	Stennis
Cooper	Long, Hawaii	Symington
Curtis	Long, La.	Talmadge
Dirksen	Magnuson	Thurmond
Dodd	Mansfield	Tower
Douglas	McCarthy	Wiley
Dworshak	McClellan	Williams, N.J.
Eastland	McGee	Williams, Del.
Ellender	McNamara	Yarborough
Engle	Metcalf	Young, N. Dak.
Ervin	Miller	Young, Ohio

Mr. HUMPHREY. I announce that the Senator from Tennessee [Mr. KEFAUVER], the Senator from Missouri [Mr. LONG], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] is absent because of illness.

The Senator from Arizona [Mr. GOLDWATER] is necessarily absent.

The Senator from New Hampshire [Mr. COTTON] is detained on official business.

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). A quorum is present.

TOBACCO ACREAGE ALLOTMENTS

Mr. HOLLAND. Madam President, during the call of the calendar, Calendar No. 739 (H.R. 1022) was passed over by request, and with my complete approval, my understanding being that the distinguished Senator from Kentucky [Mr. COOPER] wished to be in the Chamber when the subject was discussed. The Senator from Kentucky is now in the Chamber, and I understand from him that it is agreeable to consider the bill at this time.

Mr. COOPER. The Senator is correct.

Mr. HOLLAND. Madam President, I ask unanimous consent that the pending business be temporarily set aside, and that the Senate proceed to consider the bill (H.R. 1022), which was placed at the foot of the calendar.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida?

There being no objection, the Senate proceeded to consider the bill (H.R. 1022) to amend the Agricultural Adjustment Act of 1938 to provide for lease and transfer of tobacco acreage allotments, which had been reported from the Committee on Agriculture and Forestry, with amendments, on page 1, at the beginning of line 8, to insert "(other than a burley tobacco acreage allotment)", and on page 2, at the beginning of line 5, to insert "In the case of Maryland (type 32) tobacco, no farm shall be eligible for lease of allotment from the farm unless at least 75 per centum of the allotment for the farm was actually planted during each of the years 1960 and 1961."

Mr. HOLLAND. Madam President, the bill would authorize the leasing of tobacco acreage allotments only for the crop years 1962 and 1963 in the same county, and not to exceed a total leasing of 5 acres in all to any farm. The reason for the provision is that the expense of installing an irrigation plant is so large that only by combining some of the very small allotments in certain parts of the Tobacco Belt can production proceed economically. I understand that there is no objection. In committee, exclusions were made at the request of two industries affected. The first was that burley tobacco was eliminated from the coverage of the bill.

The second exclusion from the bill, which is made at the request of the Maryland tobacco industry, relates to Maryland tobacco, which is a separate type. The transfer and lease in that case is limited to farms which had planted at least 75 percent of their allotment in each of the years 1960 and 1961.

I ask unanimous consent that there be printed at this point in the RECORD a short explanation of the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HOLLAND—EXPLANATION OF H.R. 1022

This bill would authorize the leasing of tobacco acreage allotments only for the crop years 1962 and 1963. However, it would be inapplicable with respect to burley tobacco acreage allotments, and in the case of Maryland (type 32) tobacco allotments, leasing would be limited to those farms which had planted at least 75 percent of their Maryland tobacco allotments in each of the years 1960 and 1961.

The leasing of tobacco acreage allotments would be permitted only between farms in the same county and not more than 5 acres would be permitted to be leased and transferred to any farm.

A number of safeguards were included in the bill by the House of Representatives as a result of the testimony before the House Committee on Agriculture, and as a result of the recommendations of the Department of Agriculture. Some of these safeguards are as follows:

1. Both farmers involved must be in the same county and the lease must be filed with, and approved by, the county committee.

2. If the normal yield for the farm to which the allotment is being transferred exceeds the normal yield of the farm from which the transfer is being made by more than 10 percent, the transferred allotment will be adjusted downward in the same ratio as the difference in yields.

3. Not more than 5 acres of allotment may be leased and transferred to any farm.

4. Only farms already having tobacco allotments for the same kind of tobacco are eligible to lease allotments.

5. The acreage is considered as having been produced on the farm from which the allotment is transferred for purposes of future allotments and referendum voting rights.

6. The bill applies only to the 1962 and 1963 crops.

In addition, the Senate Committee on Agriculture and Forestry, at the request of producers of burley and Maryland tobacco, amended the bill to exclude burley tobacco, and in the case of Maryland tobacco limit the transfer and lease from farms which had planted at least 75 percent of the allotment in each of the years 1960 and 1961.

Mr. COOPER. Madam President, the Senator from Florida has made a fair and correct statement of the purposes of the bill. When the Committee on Agriculture and Forestry met to consider the recommendation of the subcommittee which had studied H.R. 1022, I moved that burley tobacco acreage allotments be excluded from the operation of the bill. The full committee adopted my amendment, and burley tobacco is excluded in the amended bill H.R. 1022 which is before the Senate as Calendar Order No. 739.

Since this bill is important to the burley tobacco growers, as well as to all other tobacco growers, I desire to make a brief statement explaining my purpose in offering the amendment to exclude burley tobacco.

H.R. 1022, which would authorize the transfer of a tobacco acreage allotment, under certain limitations and conditions, from a farm which has earned the allotment, to another farm which has earned a tobacco acreage allotment, is a departure from the principle which has obtained since 1938, when the Agricultural Adjustment Act was enacted. That principle is that the acreage allotment "runs with the land," rather than with an individual—as has been held by the Federal courts—and that the crop must be cultivated on the land on which the allotment has been earned.

Although this is a departure from this principle of our tobacco program—a program which has worked well and perhaps better than any other farm program—I cannot say now what its ultimate effect would be on the tobacco program, whether good or bad. But because it would involve a sharp change from principles which have worked well, and because I think Senate hearings should have been held to obtain the views of tobacco growers and their farm organizations, I moved in the Senate Committee on Agriculture and Forestry that burley tobacco be excluded from the operation of this amendment to the Agricultural Adjustment Act of 1938.

I must say in all fairness to the committee that I was not able to be present when the subcommittee first considered the House bill, although I had asked to have the opportunity to present my views, and did so, when the bill was taken up by the full committee.

Mr. HOLLAND. Madam President, will the Senator yield?

Mr. COOPER. I yield.

Mr. HOLLAND. I think the RECORD should show that the Senator was necessarily absent because of illness at the time the subcommittee considered this bill, and that we appreciate his graciousness in permitting the subcommittee to go ahead with its consideration in his absence.

Mr. COOPER. The Senator is correct and, as always, fair and generous. I wished to make clear that there was no lack of diligence on the part of the subcommittee. I was the one who was not present, and my absence was because of illness.

Since the bill authorizes the transfer of tobacco allotments for other types of tobacco, burley growers, who are excluded from this bill, will have the opportunity to observe whether the transfer of leases would be valuable or harmful to their program, and will have the chance to ask that the leasing proposal be adopted for burley in future years, or to ask that the transfer of burley acreage allotments continue to be forbidden, as my amendment provides.

I ask unanimous consent to have printed in the RECORD at this point the minority views which I filed to the committee report on H.R. 1022.

There being no objection, the minority views were ordered to be printed in the RECORD, as follows:

VIEWS OF SENATOR COOPER

This bill for the first time would permit farmers, who have agreed to limit production of a basic crop under the Agriculture Adjustment Act of 1938, to arrange among themselves for the acreage alloted to each of two or more farms to be grown by one of them on a single farm. It is limited to tobacco, and to the leasing rather than the sale of farm allotments. For the next 2 years, a farmer having a tobacco allotment on his farm could lease up to 5 additional acres of allotment assigned to other farms within the county, and grow tobacco on the combined acreage. In recording the production history kept for each farm, which determines the farms entitled to have a tobacco allotment, the shifted tobacco will be credited to the farm from which the allotment is leased as if it had been planted there, and will not accrue to the farm where it is actually grown. Voting rights in the program referendum will be preserved for the farmers who lease their farm's tobacco allotment to be grown by others in 1962 or 1963.

I made the motion, which was accepted by the Senate Commitee on Agriculture and Forestry, to strike burley tobacco from the bill passed by the House of Representatives. I did so because I believed that this step, which represents a sharp change in the concept of our farm programs, deserved the most careful examination in Senate hearings—in order to define the problems to which the bill may be directed, examine alternatives and their possible effects, maintain the objectives of the program, and safeguard its successful operation. Although I have been the coauthor of several laws under which the tobacco program now operates—including that which provides price supports fixed at 90 percent of parity—I am not as familiar with the problems of other types of tobacco. I do know about tobacco production in Kentucky, where the chief tobacco produced is burley, and that the present burley program is successful and accepted by farmers. I

think it is better to see how the leasing of allotments works with Flue-cured and the dark tobaccos before it is considered for burley. My principal reasons follow:

DANGER OF CONCENTRATION

One argument made for this bill is that small farmers will lease the additional acreage needed to give them a better farm operation. But the result of leasing could be the opposite, concentrating the wealth-producing tobaco acreage on big farms in the best section of each county. Farmers from whom the allotment is leased will want cash, not kind—for they can grow the tobacco, or lease or rent their farm and share in the crop, now. The successful bidders for leases are likely to be the people with cash—having good land, tobacco barns, sizable allotments, and an efficient operation ready for expansion.

SMALL FAMILY FARMS DEPEND ON TOBACCO

Another argument made for the bill is that it will help preserve the family farm. In my view, the bill may have the opposite effect. Under the terms of the House bill, for example, farms already having double the average burley allotment (1 acre) could triple their acreage by leasing 4 or 5 additional acres. Leasing may encourage the movement of this enterprise, on which many farm families depend as their major cash crop, to farms already having the largest tobacco allotments. After the small family farm leases away its tobacco acreage, it will be less attractive for them to work the remainder of the farm, and for the family to stay on the farm.

ALLOTMENTS ARE BASED ON FARM PRODUCTION HISTORY

My third objection is that this bill changes the basis on which acreage is allotted. The act of 1938 based allotments on the history of production on specific tracts of land and on the efforts of a farmer on that land year after year. The courts have held that the right accrues to the land, not the individual—that the allotment "runs with the land" and is not tied to the farmer; every allotment notice for crops under quotas states that the allotment is for the farm and not the individual. Leasing, however, gives the right to determine who shall grow the tobacco to the individual; what may become a kind of Government production license will be transferred for cash to farmers who have not established the history of production to secure this right in addition to their own allotment.

Many farmers in every State have not been able to secure a tobacco allotment. They have been told that allotments are based on the history of production on each farm. Those who have no allotment, and who are quite willing to pay for the right, may now contend that they should be permitted to lease allotments also, and that the system is undemocratic.

Advocates of the bill insist that they vigorously oppose the sale of allotments. However, the Secretary of Agriculture has recommended not only the leasing but also, and preferably, the sale of all crop allotments. It seems to me that leasing is a step which takes away the arguments of congressional intent against the buying and selling of these rights conferred by law. Of course, Congress can change the law. But it ought to do so only after careful thought as to what its program objectives are, what principles shall be followed, and what is fair to all farmers.

DANGER OF SURPLUS PRODUCTION

Finally, the purpose of the act of 1938 is to hold production within limits proclaimed by the Secretary of Agriculture according to criteria fixed by Congress, in order to preserve good prices. Under this bill, the transfer of allotments to farms having yields up to 10 percent greater than the farms for which the allotments were established would not be penalized. Surely those paying cash for the leased allotments would expect to move them to better land, and to maximize yields with fertilizer and irrigation. Further, allotments now unused would come into production. As we have all learned so well, even a 5-percent excess supply can upset markets, drive down prices, and create a surplus which could endanger the stable system we have established in the tobacco program—a successful program providing 90 percent of parity to growers without loss to the public.

ADDITIONAL SAFEGUARDS NEEDED

Farmers can lease or rent land having an allotment and grow additional tobacco now, provided they are willing to grow the tobacco on the farm to which the acreage is allotted. If the objective of this bill is to help family farms, or to avoid the hardship of renting small separated allotments which are uneconomic or difficult to work in scattered locations, or to avoid forcing the purchase of farms used solely for their tobacco allotment, it could have been better devised. For example, small farms might be permitted to lease from others nearby an acreage related to the size of their present allotment, but not more than would result in a combined acreage larger than a practical family farm operation—say 3 acres for both their own and the leased allotment, in the case of Burley.

Tobacco farmers now enjoy a carefully balanced price support and production control program, which on the whole is working well. I do not object to trying to improve that program. But in this case I think there should be full consideration of the leasing proposal by Burley growers and their farm organizations prior to its adoption by the Congress.

JOHN SHERMAN COOPER.

Mr. COOPER. Madam President, I take no issue with my fellow committee members, who represent States which produce flue-cured, dark tobacco, and other types of tobacco in greater volume than does Kentucky. But Kentucky produces more Burley tobacco than does any other State, and more than all other States combined. It is the cash crop of most of our farmers. It is basic to agriculture in Kentucky, and indeed to business in a great part of our State.

During my service in the Senate I have worked to protect and improve our tobacco program in harmony with tobacco farmers and with Members of our Kentucky congressional delegation. Because of my deep interest in the tobacco program, and in the welfare of our tobacco farmers, I asked that Burley tobacco be excluded from this proposal. As I have said, experience or hearings at a later date may demonstrate that a somewhat similar amendment should be adopted with respect to Burley tobacco. But I would prefer, and I believe our Burley growers would prefer to consider the matter fully, and observe the way it may affect other tobacco programs, before applying it to Burley tobacco.

Mr. JAVITS. Madam President, I have no desire to interfere with the passage of the bill, but I wished to speak for 5 or 6 minutes on civil rights. If the Senator wishes me to yield so that the bill may be passed, I shall ask unanimous consent that I may yield for that purpose.

Mr. HOLLAND. I would appreciate that, unless there is other comment to be made on the bill—and I know of no opposition whatever to the bill—which will help some very small operators, who in their own counties may be allowed to accumulate acreage up to 5 acres so that they may have an economic production.

Mr. BYRD of Virginia. Madam President, I merely wish to say that the tobacco growers of Virginia are very much in favor of the bill. The allotments have become so small that many growers cannot make a crop. I hope the bill will pass.

Mr. HOLLAND. The statement of the Senator from Virginia is characteristic of the whole area which is called the Flue-cured area. I know of no opposition to the bill. I hope the bill will pass.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments. Is there objection to agreeing to the committee amendments en bloc?

There being no objection, the committee amendments were agreed to en bloc.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 1022) was read the third time and passed.

DEPARTMENTS OF STATE AND JUSTICE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1962

The Senate resumed the consideration of the bill (H.R. 7371) making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes.

Mr. JAVITS. Madam President, I have in mind making a brief statement as to how I see the present situation as it relates to civil rights legislation and the provision, which is now being proposed, to extend the life of the Civil Rights Commission.

We all know what the rules of the Senate permit. We know that they permit the adding of amendments to any bill. Yet the self-discipline of the Senate is such that it is that only amendments which have at least some relation to the subject of a bill will be adopted. Especially is this true with reference to civil rights legislation. It is only when there is an appropriate framework of civil rights legislation to which such amendments may be added that that is done at all.

It will be remembered that at one time, in 1960, we provided for a set time when the Senate would debate civil rights legislation. There was a clear understanding in the form of a statement by the majority leader that at a time certain such legislation would be brought before the Senate, and that statement was made during the previous session. That is not the situation which confronts us today.

What we are confronted with is that this is probably the last chance for the

enactment of any civil rights legislation at this session of Congress. I say respectfully—and I have supported the administration on many parts of its program, and as a result have been much criticized because of my support, but that does not worry me, if I am doing the right thing—that we note today a striking dereliction in responsibility on the part of the Kennedy administration, in sharp contrast with the strong record made by the Department of Justice, under the administration of the President's brother, the Attorney General, in the civil rights field. This dereliction has been the administration's failure to seek essential civil rights legislation from Congress.

It has been said, and with some feeling—and the record certainly would seem to indicate it—that there has been in effect a campaign of appeasement, of the South and that that campaign of appeasement continues. The question naturally arises, with respect to the administration, whether this is because there are so many key positions occupied by a number of southern legislators in relation to other parts of the President's program. This failure to seek essential civil rights legislation from Congress has occurred despite the Freedom Riders and sit-in emergencies, which have even led to violence and rioting in some Southern States; despite continued flagrant discrimination in buses and in airport and bus terminals; despite innumerable blockages in large areas of the South against any implementation of the Supreme Court mandate to segregate the public schools, blockages which have brought the entire program almost to a halt.

I feel I must say that none of us who feels this way condones any denial of equal opportunity wherever it may occur, whether it be in a Southern State or in my own State of New York or in other States. In my own State of New York we have had school segregation legislation, which has been decided by the Federal court and in our own courts. The fact is that in order of magnitude there is no comparison between the two situations at all. Secondly, in my State, as in other Northern States, the whole machinery of government from the Governor down is organized and dedicated to eliminate barriers to equal opportunity, whereas in many of the Southern States the situation is precisely the reverse.

Let us look at the figures.

The latest statistical summary by the Southern Education Reporting Service shows that now, in the eighth year after the Supreme Court decision of 1954, only 6.9 percent of all the Negro pupils in the Southern States are in an integrated situation. And this percentage includes the District of Columbia, West Virginia, Delaware, and other States where desegregation was almost completed within 2 years of the Court decision. Since 1956, progress has been painfully slow. As of now, four States—Alabama, Georgia, Mississippi and South Carolina—have no Negro pupils attending schools with white children. Louisiana has one Negro child in a white school. In five other States—Arkansas, Florida, North Carolina, Tennessee and Virginia—less than 1 percent of the Negro children are attending schools with white children. Thus, in 10 Southern States, either there has been no school desegregation at all or only minuscule progress has been made.

Madam President, this is 7 years after the Supreme Court decision.

That is the background against which we now have the spectacle of an effort to ram through only a 2-year extension of the Federal Civil Rights Commission, which expires on November 9, under an extraordinary and little-used Senate procedure to attach a legislative rider to an appropriation bill for the State and Justice Departments, thus imposing the requirement of a two-thirds vote.

Without any illusions as to what can be accomplished, but at least to give the Senate the opportunity to do what should be done with respect to civil rights legislation, my colleague from New York, Senator KEATING, has already announced his plan with respect to such legislation. The Senator from Pennsylvania [Mr. CLARK] has also filed an amendment. Perhaps other Senators also will move into this situation.

I am submitting amendments to eliminate the archaic poll tax restriction on voting, still existing in Alabama, Arkansas, Mississippi, Virginia, and Texas; and to grant authority to the Attorney General to initiate civil suits in representative cases to enforce civil rights, including school desegregation cases.

With respect to the much-maligned part 3, to give the Attorney General much needed power, I shall speak on that subject when it comes my time to propose the amendment, and to join in the debate.

Based upon the record which has been made in the Federal courts, and the denial of the opportunity to the Attorney General to intervene in school segregation cases, and the general attitude of the courts, there is an absolute need for this power, which has been denied. I might say, too, if we gave a so-called safety valve to the dissidents, it would no doubt remove a great deal of provocation to acts of anarchy which have occurred.

I wish to close upon this note. I believe the situation which the country faces, in which we are thwarted and keep from debating and passing essential civil rights legislation in Congress, because the administration does not feel this is the kind of "must" legislation which it must put on a high priority list, is an intolerable situation, especially as we look upon the world situation and see how any lag by us in the effort to afford equal opportunity for all is prejudicial to the interest of our position in many areas of the world.

We will now have in this debate, for however long it may last, a last chance, notwithstanding the difficulty of the two-thirds voting rule, and the other problems which are engendered by this situation, which would not be present if we were considering a bill to which an amendment could be added by majority vote.

Nonetheless, this is our last chance at this session to get any meaningful civil rights legislation, legislation which is so urgently needed, considering the domestic and world situations. It is sad, indeed, that these efforts must be cast in the framework in which we find ourselves, and not get backing from the administration, which they so much deserve. Civil rights, I repeat, should have been one of the highest priority "must" items on the administration's legislative list throughout 1961.

I say, finally, that this is but the curtain raiser, the prelude, to another battle yet to come, the battle to amend the Senate rules of debate which permit of filibuster. That is yet to come. Let every Senator understand clearly that the precedent which will be established in this debate on the extension of the life of the Civil Rights Commission and other civil rights legislation will have much to do with whether we make a meaningful change in the rules. If this curtain raiser is auspicious, then there is an auspicious frame of reference for a meaningful change in the rules. If it is not, then I fear we are in—those of us who believe as I do in respect of these matters—for grave disappointment in that regard, too.

Mr. McCLELLAN. Madam President, will the Senator from New York yield?

Mr. JAVITS. I yield.

Mr. McCLELLAN. I am not at all surprised—but I am rather disappointed—to hear the Senator malign the South again in his remarks, as he frequently does.

Is it the Senator's idea that the appropriation bill now being considered should be made the vehicle for all so-called civil rights legislation, and that we ought to fight that issue out here and now even if it takes all summer?

Mr. MANSFIELD. Madam President, will the Sentaor from New York yield before he answers the question? The chairman of the Committee on Foreign Relations, the distinguished junior Senator from Arkansas [Mr. FULBRIGHT], desires to transact an important piece of business.

Mr. JAVITS. I yield for that purpose.

FOREIGN ASSISTANCE ACT OF 1961

Mr. FULBRIGHT. Madam President, I ask that the Chair lay before the Senate the amendment of the House of Representatives to the bill (S. 1983).

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes, which was, to strike out all after the enacting clause, and insert:

That this Act shall be cited as "An Act for Peace and Mutual Progress With Justice and Freedom for All".

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only should not be quoted or cited)

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Reclamation.....33
Saline water.....9,20
Shorelines.....8
Small business.....5,10,26,30
Sugar.....25
Surplus property.....27
Tobacco.....2
Transportation.....15
Waterfowl.....6
Wetlands.....6
Wheat.....19
Wilderness.....17

HIGHLIGHTS: House passed hog cholera eradication bill. House concurred in Senate amendments to bill to permit transfer of tobacco allotments. Both Houses passed appropriation continuation measure. House committee reported bill to establish Department of Urban Affairs and Housing.

HOUSE

1. HOG CHOLERA. Passed without amendment S. 1908, to direct the Secretary of Agriculture to initiate a national hog cholera eradication program, restrict the interstate movement of virulent or other hog cholera virus as necessary, and establish a committee to advise on the program. This bill will now be sent to the President. A similar bill, H. R. 7176, was passed earlier and tabled. pp. 16143-54

2. TOBACCO. Agreed to the Senate amendments on H. R. 1022, to authorize leasing of tobacco acreage allotments for the crop years 1962 and 1963. This bill will now be sent to the President. As passed, the bill will be inapplicable with respect to burley tobacco, and in the case of Maryland (type 32), leasing will be limited to those farms which have planted at least 75% of their Maryland allotments in each of the years 1960 and 1961. The leasing of allotments will be permitted only between farms in the same county, and not more than 5 acres will be permitted to be leased and transferred to any farm. p. 16154

3. HOUSING. The Government Operations Committee reported with amendments H. R. 8429, to establish a Department of Urban Affairs and Housing (H. Rept. 1053). p. 16188

4. EASEMENTS. The Public Works Committee reported with amendments H. R. 8355, to authorize executive agencies to grant easements in, over, or upon real property of the United States under the control of such agencies (H. Rept. 1044). p. 16188

5. SMALL BUSINESS. The Banking and Currency Committee reported without amendment H. R. 8870, the proposed Small Business Investment Act Amendments of 1961 (H. Rept. 1040). p. 16188

SENATE

6. WET LANDS; WATERFOWL. Passed, 65 to 8, H. R. 7391, to promote the conservation of migratory waterfowl by authorizing appropriations for a 5-year period, beginning with fiscal year 1962, of not to exceed $50 million for the acquisition of wet lands and other essential waterfowl habitat (pp. 16066, 16068-70, 16073-4 16076-82). Agreed to an amendment by Sen. Case, S. Dak., to prohibit the use of the migratory bird conservation fund for the acquisition of land without the approval in certain instances of the Governor of the State in which the land is located (pp. 16069-70).

7. TEMPORARY APPROPRIATIONS. Both Houses passed without amendment H. J. Res. 544, the appropriations continuation resolution to make temporary appropriations until Sept. 30, 1961, to those departments and agencies whose annual appropriation bills have not yet been enacted. This measure will now be sent to the President. The measure increases the amount for administrative expenses of area redevelopment programs from $400,000 to $600,000. pp. 16059-60, 16128-31

8. FORESTRY; SHORELINE AREAS. Passed with amendments S. 543, to promote the preservation of certain portions of the shoreline areas of the U. S., including a provision directing the Secretary of Agriculture to make a study of shoreline areas in the 181 million acres of national forests which are of value for recreational, cultural, physical and scientific purposes and to report his findings to Congress within 2 years (pp. 16082-92). Agreed to an amendment by Sen. McNamara to delete Pictured Rocks and Grand Sable Dunes and Sleeping Bear Dunes, Mich., from the areas in which the Secretary of the Interior is directed to make a study to determine what further action should be taken to preserve the areas (p. 16087).

Sen. Moss expressed opposition to a proposed amendment by Sen. Bennett to S. 174, the wilderness preservation bill, which is "intended to put the High Uintas Primitive Area into the wilderness preservation system without further review by the National Forest Service," and inserted a letter he received from the Forest Service stating that the High Uintas Primitive Area "in due course will be proposed for reclassification by the Secretary of Agriculture as a wilderness area under the procedures prescribed by Secretarial regulation." p. 16039

9. SALINE WATER. S. 2156, to expand and extend the saline water conversion program, was made the unfinished business of the Senate. pp. 16092-4

10. SMALL BUSINESS. The Banking and Currency Committee reported with amendment S. 836, the proposed Small Business Act Amendments of 1961 (S. Rept. 802). p. 16036

folly of basing a national program on the same false assumptions and premises. What would happen if some States failed to appropriate matching funds or the increasingly urban-controlled Congress took a look at the ever-mounting appropriation needs and resoundingly said, "No!"?

There is no doubt that powerful forces consisting of men of integrity with good intentions are backing this proposed program, but it is apparent that their approach is idealistic and theoretical, and far divorced from reality. Most practicing veterinarians would feel that their last line of defense against the disease had been breached if they were denied use of all control measures except serum which is certain to be in short supply, great demand, and which must be administered at 3-week intervals to maintain a passive immunity. There will be a lot of irate farmers looking for someone's scalp if they have to wrestle 60- to 200-pounds hogs every 3 weeks for a serum injection. Most veterinarians on the firing line have no confidence in this "faith-healing" approach to the problem despite the pressure exerted by the Federal regulatory officials. These men know that legislative bodies can outlaw the disease but that doesn't control it. You can sweep the dust under the rug but that doesn't get rid of it.

It has been assumed by protagonists of the bill that greatly expanded export markets for pork will result from prohibiting the use of live virus, or, from prohibiting or restricting the use of vaccines to control cholera. It is a well known fact that at present a very infinitesimal percentage of our total pork production finds its way into the export trade, not particularly because we have permitted the use of live virus and vaccines to control cholera, but because our domestic prices are considerably above world price levels. The proposed eradication program would not change this economic fact of life in the least. The only way in which we could step up the export of pork products would be to adopt an export-subsidy program along the lines set forth in Public Law 480 in which dairy products under the support program are sold abroad in exchange for foreign currencies at prices considerably below our domestic levels. Heaven forbid that we ever embark on a support program for pork products.

In summary, for the reasons expressed above, we believe this proposed legislation is premature and that the situation needs considerably more study, thought, and research. Until such time as better vaccines are developed and more widespread use of them is practiced, it does not represent sound reasoning to dump indiscriminately all the controls that have proved effective in the past. The case for the so-called "eradication" program has definitely not been proved and we strongly urge the Senate Subcommittee on Agriculture not to recommend passage of S. 1908 or any bill similar to it.

Respectfully submitted.

JAMES M. BARCLAY, D.V.M.
GEORGE L. PAUL.

The CHAIRMAN. All time for general debate has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to safeguard the health of the swine herds of the Nation, to prevent the spread of hog cholera, to decrease substantially the estimated $50,000,000 annual loss from hog cholera, to expand export markets for pork and pork products now restricted on account of hog cholera, and to otherwise protect the public interest, the Secretary of Agriculture is hereby directed (1) to initiate a national hog cholera eradication program in cooperation with the several States under the provisions of section 11 of the Act of May 29, 1884, as amended (21 U.S.C. 114a), and related legislation, and (2) to prohibit or restrict, pursuant to the authority vested in him under the provisions of section 2 of the Act of February 2, 1903, as amended (21 U.S.C. 111), the interstate movement of virulent hog cholera virus or other hog cholera virus to the extent he determines necessary in order to effectuate such eradication program.

SEC. 2. (a) The Secretary of Agriculture is authorized and directed to establish an advisory committee composed of (1) eleven members selected from representatives of the swine and related industries, State and local government agencies, professional and scientific groups, and the general public, and (2) one member selected from the officers and employees of the Department of Agriculture who shall serve as chairman of the committee. The committee shall meet at the call of the Secretary.

(b) It shall be the function of the committee to advise the Secretary with respect to the initiation of the national hog cholera eradication program referred to in the first section of this Act, and with respect to the development of plans and procedures for carrying out such program.

(c) Committee members other than the chairman shall not be deemed to be employees of the United States and shall not be entitled to compensation, but the Secretary is authorized to pay their travel and subsistence expenses (or per diem in lieu thereof), in connection with their attendance at meetings of the committee.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. WALTER] having resumed the chair, Mr. ULLMAN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7176) to provide for a national hog cholera eradication program, pursuant to House Resolution 435, he reported the bill back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed, and read a third time, and was read a third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FULTON. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Obviously, a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 337, nays 3, not voting 97, as follows:

[Roll No. 171]

YEAS—337

Abbitt	Anderson, Ill.	Balley
Abernethy	Andrews	Baker
Adair	Arends	Baldwin
Addabbo	Ashbrook	Baring
Addonizio	Ashley	Barry
Albert	Ashmore	Bass, Tenn.
Alexander	Aspinall	Bates
Andersen, Minn.	Auchincloss	Battin
	Avery	Beckworth
Beermann	Hardy	Patman
Belcher	Harris	Perkins
Bell	Harrison, Wyo.	Peterson
Bennett, Fla.	Harsha	Pfost
Berry	Harvey, Ind.	Philbin
Betts	Hays	Pike
Blatnik	Hechler	Pillion
Blitch	Herlong	Pirnie
Boggs	Hiestand	Poff
Boland	Hoeven	Powell
Bolling	Hoffman, Ill.	Price
Bolton	Holifield	Pucinski
Bonner	Holland	Quie
Boykin	Holtzman	Randall
Bray	Horan	Reece
Breeding	Hosmer	Relfel
Bromwell	Huddleston	Reuss
Brooks, Tex.	Hull	Rhodes, Ariz.
Brown	Ikard, Tex.	Rhodes, Pa.
Broyhill	Inouye	Riehlman
Bruce	Jennings	Riley
Burke, Ky.	Joelson	Rivers, Alaska
Burke, Mass.	Johansen	Rivers, S.C.
Burleson	Johnson, Calif.	Roberts
Byrne, Pa.	Johnson, Md.	Rodino
Byrnes, Wis.	Johnson, Wis.	Rogers, Colo.
Cannon	Jonas	Rogers, Fla.
Carey	Jones, Mo.	Rogers, Tex.
Casey	Judd	Rooney
Cederberg	Karsten	Roosevelt
Chelf	Karth	Rostenkowski
Chenoweth	Kastenmeier	Roudebush
Chiperfield	Kearns	Roush
Church	Keith	Rousselot
Clancy	Kelly	Rutherford
Clark	Kilgore	Ryan
Coad	King, Calif.	St. George
Cohelan	King, N.Y.	St. Germain
Colmer	King, Utah	Saund
Conte	Kirwan	Saylor
Corbett	Kitchin	Schadeberg
Corman	Knox	Schenck
Cunningham	Kowalski	Scherer
Curtin	Kunkel	Schneebeli
Curtis, Mass.	Kyl	Schweiker
Curtis, Mo.	Laird	Schwengel
Daddario	Landrum	Scott
Dague	Lane	Scranton
Daniels	Langen	Seely-Brown
Davis, James C.	Lankford	Selden
	Latta	Shipley
Davis, John W.	Libonati	Short
Davis, Tenn.	Lindsay	Shriver
Dawson	Lipscomb	Sibal
Delaney	Loser	Sikes
Dent	McCormack	Siler
Denton	McCulloch	Sisk
Derounian	McDonough	Slack
Derwinski	McDowell	Smith, Calif.
Dingell	McFall	Smith, Miss.
Dole	McIntire	Smith, Va.
Dominick	McMillan	Spence
Donohue	McVey	Springer
Dooley	MacGregor	Stafford
Dorn	Machrowicz	Staggers
Dowdy	Mack	Steed
Downing	Madden	Stephens
Doyle	Magnuson	Stratton
Durno	Mahon	Sullivan
Dwyer	Marshall	Taber
Edmondson	Martin, Nebr.	Taylor
Elliott	Mason	Teague, Calif.
Ellsworth	Mathias	Thomas
Everett	Matthews	Thompson, Tex.
Fallon	May	Thomson, Wis.
Fascell	Michel	Toll
Feighan	Miller, Clem	Tollefson
Fenton	Miller, George P.	Trimble
Findley		Tuck
Finnegan	Mills	Tupper
Fisher	Minshall	Udall, Morris K.
Flood	Moeller	Ullman
Forrester	Montoya	Utt
Fountain	Moorehead, Ohio	Vanik
Frazier		Van Pelt
Frelinghuysen	Morgan	Van Zandt
Friedel	Morris	Wallhauser
Garland	Morse	Walter
Gary	Mosher	Watts
Gathings	Moss	Weaver
Gavin	Moulder	Wels
Giaimo	Multer	Whalley
Goodling	Murphy	Wharton
Grant	Murray	Whitener
Gray	Natcher	Wickersham
Griffiths	Nelsen	Widnall
Gross	Nix	Willis
Gubser	Norblad	Wilson, Calif.
Hagan, Ga.	Nygaard	Wilson, Ind.
Hagen, Calif.	O'Brien, Ill.	Winstead
Haley	O'Hara, Ill.	Yates
Hall	O'Hara, Mich.	Young
Halleck	Olsen	Younger
Halpern	Ostertag	Zablocki
Harding	Passman	

NAYS—3

Fulton	Pelly	Ray

NOT VOTING—97

Alford	Gilbert	Merrow
Alger	Glenn	Miller, N.Y.
Anfuso	Goodell	Milliken
Ayres	Granahan	Monagan
Barrett	Green, Oreg.	Moore
Bass, N.H.	Green, Pa.	Moorhead, Pa.
Becker	Griffin	Morrison
Bennett, Mich.	Hansen	Norrell
Bow	Harrison, Va.	O'Brien, N.Y.
Brademas	Harvey, Mich.	O'Konski
Brewster	Healey	O'Neill
Brooks, La.	Hébert	Osmers
Broomfield	Hemphill	Pilcher
Buckley	Henderson	Poage
Cahill	Hoffman, Mich.	Rabaut
Celler	Ichord, Mo.	Rains
Chamberlain	Jarman	Robison
Collier	Jensen	Santangelo
Cook	Jones, Ala.	Shelley
Cooley	Kee	Sheppard
Cramer	Keogh	Smith, Iowa
Devine	Kilburn	Stubblefield
Diggs	Kilday	Teague, Tex.
Dulski	Kluczynski	Thompson, La.
Evins	Kornegay	Thompson, N.J.
Farbstein	Lennon	Thornberry
Fino	Lesinski	Vinson
Flynt	McSween	Westland
Fogarty	Macdonald	Whitten
Ford	Mailliard	Williams
Gallagher	Martin, Mass.	Wright
Garmatz	Meader	Zelenko

So the bill was passed.

The Clerk announced the following pairs:

Until further notice:

Mr. Hébert with Mr. Alger.
Mr. Williams with Mr. Goodell.
Mr. McSween with Mr. Robison.
Mr. Harrison of Virginia with Mr. O'Konski.
Mrs. Green of Oregon with Mr. Merrow.
Mr. Brademas with Mr. Devine.
Mrs. Norrell with Mr. Milliken.
Mr. Stubblefield with Mr. Ford.
Mr. Garmatz with Mr. Meader.
Mr. Green of Pennsylvania with Mr. Collier.
Mr. Ichord of Missouri with Mr. Mailliard.
Mr. Morrison with Mr. Becker.
Mr. Fogarty with Mr. Hoffman of Michigan.
Mr. Henderson with Mr. Ayers.
Mr. Kornegay with Mr. Moore.
Mr. Lennon with Mr. Osmers.
Mr. Hemphill with Mr. Westland.
Mr. O'Neill with Mr. Bass of New Hampshire.
Mrs. Granahan with Mr. Kilburn.
Mr. Brewster with Mr. Broomfield.
Mr. Keogh with Mr. Fino.
Mr. Anfuso with Mr. Cahill.
Mr. Gilbert with Mr. Bow.
Mr. Healey with Mr. Glenn.
Mr. Santangelo with Mr. Martin of Massachusetts.
Mr. Zelenko with Mr. Jensen.
Mr. Celler with Mr. Griffin.
Mr. O'Brien of New York with Mr. Harvey of Michigan.
Mr. Dulski with Mr. Miller of New York.
Mr. Farbstein with Mr. Chamberlain.
Mr. Buckley with Mr. Cramer.

Mr. CLANCY changed his vote from "nay" to "yea".

Mr. SCHERER changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

Mr. GRANT. Mr. Speaker, I ask unanimous consent for the immediate consideration of an identical Senate bill, S. 1908, to provide for a national hog cholera eradication program.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there obection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the Senate bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in order to safeguard the health of the swine herds of the Nation, to prevent the spread of hog cholera, to decrease substantially the estimated $50,000,000 annual loss from hog cholera, to expand export markets for pork and pork products now restricted on account of hog cholera, and to otherwise protect the public interest, the Secretary of Agriculture is hereby directed (1) to initiate a national hog cholera eradication program in cooperation with the several States under the provisions of section 11 of the Act of May 29, 1884, as amended (21 U.S.C. 114a), and related legislation, and (2) to prohibit or restrict, pursuant to the authority vested in him under the provisions of section 2 of the Act of February 2, 1903, as amended (21 U.S.C. 111), the interstate movement of virulent hog cholera virus or other hog cholera virus to the extent he determines necessary in order to effectuate such eradication program.

SEC. 2. (a) The Secretary of Agriculture is authorized and directed to establish an advisory committee composed of (1) eleven members selected from representatives of the swine and related industries, State and local government agencies, professional and scientific groups, and the general public, and (2) one member selected from the officers and employees of the Department of Agriculture who shall serve as chairman of the Committee. The Committee shall meet at the call of the Secretary.

(b) It shall be the function of the Committee to advise the Secretary with respect to the initiation of the national hog cholera eradication program referred to in the first section of this Act, and with respect to the development of plans and procedures for carrying out such program.

(c) Committee members other than the chairman shall not be deemed to be employees of the United States and shall not be entitled to compensation, but the Secretary is authorized to pay their travel and subsistence expenses (or per diem in lieu thereof) in connection with their attendance at meetings of the Committee.

Passed the Senate August 21, 1961.

Attest:

———— ————,
Secretary.

The bill was ordered to be read a third time, was read the third time and passed.

A motion to reconsider and a similar House bill, H.R. 7176, were laid on the table.

CORRECTION OF ROLLCALL

Mr. THOMPSON of Texas. Mr. Speaker, on rollcall No. 168 on Thursday last I am recorded as absent. I was present and answered to my name. I ask unanimous consent that the permanent RECORD and the Journal be corrected accordingly.

The SPEAKER pro tempore. It there objection to the request of the gentleman from Texas?

There was no objection.

LEASE AND TRANSFER OF TOBACCO ACREAGE ALLOTMENTS

Mr. ABBITT. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 1022) to amend the Agricultural Adjustment Act of 1938 to provide for lease and transfer of tobacco acreage allotments, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

(1) Page 1, line 7, after "allotment", insert: "(other than a burley tobacco acreage allotment)

(2) Page 2, line 2, after "met.", insert: "In the case of Maryland (type 32) tobacco, to farm shall be eligible for lease of allotment from the farm unless at least 75 per centum of the allotment for the farm was actually planted during each of the years 1960 and 1961.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

Mr. TAYLOR. Mr. Speaker, when H.R. 1022 passed the House, it applied to both Flue-cured tobacco and burley tobacco. I thought that this was sound legislation and I supported it.

The other body has seen fit to amend the bill so as to remove its application to burley. I cannot see why the privilege of leasing and transferring an allotment should apply to one type of tobacco and not apply to another, and I see no reason or justice in the Senate amendment.

I represent many burley producers in western North Carolina who favor including burley in this legislation.

For the reasons set out above, I would like to see the House vote against concurring in the Senate amendment. In the event the bill is passed with the Senate amendment included so as to eliminate its application to burley, I think that the House Agriculture Committee should give quick and careful consideration to additional and similar legislation applicable to burley tobacco.

MILLS OF ARKANSAS, POWERFUL VOICE IN CONGRESS

(Mr. TRIMBLE asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and to include a newspaper article.)

Mr. TRIMBLE. Mr. Speaker, one of the most able and devoted Members of this House is our colleague, the gentleman from Arkansas, the Honorable WILBUR D. MILLS. He has been my friend during my years in the Congress and even before that. I was happy to read in the Kansas City Times of Tuesday, August 22, 1961, an article on his career. Because it accords with the opinion of our delegation and the people of Ar-

Public Law 87-200
87th Congress, H. R. 1022
September 6, 1961

An Act

To amend the Agricultural Adjustment Act of 1938 to provide for lease and transfer of tobacco acreage allotments.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Agricultural Adjustment Act of 1938, as amended, is further amended by adding the following new section:

Tobacco allotments, transfer.
52 Stat. 31.
7 USC 1281.

"SEC. 316. (a) Notwithstanding any other provision of this Act for the crop years 1962 and 1963, the owner and operator of any farm for which a tobacco acreage allotment (other than a burley tobacco acreage allotment) is established may lease any part of such allotment to any other owner or operator of a farm in the same county for use in such county on a farm having a current tobacco allotment of the same kind. Such lease and transfer of allotment shall be recognized and considered valid by the county committee provided the conditions set forth in this section are met. In the case of Maryland (type 32) tobacco, no farm shall be eligible for lease of allotment from the farm unless at least 75 per centum of the allotment for the farm was actually planted during each of the years 1960 and 1961.

Maryland tobacco.

"(b) Any lease shall be made on such terms and conditions, except as otherwise provided in this section, as the parties thereto agree. No lease shall be entered into for any period in excess of one crop year, but may be renewed for the 1963 crop year, if the parties so agree.

Lease.
Terms and conditions.

"(c) The lease and transfer of any allotment shall not be effective until a copy of such lease is filed with and determined by the county committee of the county in which the farms involved are located to be in compliance with the provisions of this section. Such lease and transfer shall not be effective unless a copy of the lease is filed with the county committee prior to a closing date established by the Secretary, which date shall be no later than the normal planting time in the county. If the normal yield established by the county committee for the farm to which the allotment is transferred does not exceed the normal yield established by the county committee for the farm from which the allotment is transferred by more than 10 per centum, the lease and transfer shall be approved acre for acre. If the normal yield for the farm to which the allotment is transferred exceeds the normal yield for the farm from which the allotment is transferred by more than 10 per centum, the county committee shall make a downward adjustment in the amount of the acreage allotment transferred by multiplying the normal yield established for the farm from which the allotment is transferred by the acreage being transferred and dividing the result by the normal yield established by the farm to which the allotment is transferred.

Filing with county committee.

Calculation of normal yield for transfer.

"(d) The lease and transfer of any part of a tobacco acreage allotment determined for a farm shall not affect the allotment for the farm from which such acreage allotment is transferred or the farm to which it is transferred, except with respect to the crop year specified in the lease. The amount of acreage allotment which is leased from a farm shall be considered for purpose of determining future allotments to have been planted to tobacco on the farm from which such allotment is transferred and the production pursuant to the lease and transfer shall not be taken into account in establishing allotments for subsequent years for the farm to which such allotment is transferred. The lessor shall be considered to have been engaged in the production of tobacco for the purpose of eligibility to vote in the referendum.

Determination for future allotments.

"(e) Under the provisions of this section not more than five acres of allotment may be leased and transferred to any farm: *Provided*, That the total acreage allotted to any farm after such transfer shall not exceed 50 per centum of the acreage of cropland in the farm.

Regulations. "(f) The Secretary shall prescribe such regulations as he considers necessary for carrying out the provisions of this section."

Approved September 6, 1961.

GPO 72139